

The City of Newcastle **Delivery Program** 2013-2017



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Lord Mayor's message

Newcastle is at a critical point in its transformation. We are seeing increased investment and development with many urban renewal projects reaching delivery stage. It is great to see buildings sprouting on previously degraded sites. We are poised to become a truly world-class city with a diverse range of residential, business and services options. Our much-loved CBD is coming back to life with more people on the streets than we've seen for decades.

If you planned the perfect capital city for a region it would be Newcastle - perched on the coast around 30 degrees latitude on a wide tidal estuary; a river valley stretching hundreds of kilometres; about half a million people in the wider city growing steadily, and a downtown with history and harbour.

But this capital needs a vigorous business and cultural centre.

So this Council is right behind the revitalisation of Newcastle. We agreed to partner with the NSW Government to deliver the Newcastle Urban Renewal Strategy and infrastructure initiatives to stimulate activity and jobs. We support the growth of the Port of Newcastle including the proposed Terminal 4 - essential to ensuring the coal industry's long term benefits. This support is contingent on addressing environmental concerns by approval authorities.

Council is working with UrbanGrowth NSW (the lead NSW Government agency for the revitalisation of the city centre) to deliver significant catalyst projects for Newcastle's revitalisation such as the Hunter Street mall redevelopment with The GPT Group. UrbanGrowth NSW believes this can be one of the most exciting and significant urban renewal projects in the country.

I am also excited about plans for the University of Newcastle's \$95 million CBD landmark education precinct – NeW Space with up to 4,500 students and teachers based in the Civic Precinct. We will see significant changes to our city in the next 12 months and it is a privilege to be a part of it.

Cr Jeff McCloy

Lord Mayor



General Manager's message

The Delivery/Operational Plan and associated budget for 2013/14 identified the following annual operating results as Council implemented a strategy to return to funding surplus by 2016/17.

	2013/14	2014/15	2015/16	2016/17
Operating Surplus/(Deficit)	(\$29.9 million) Deficit	(\$11.9 million) Deficit	(\$9.5 million) Deficit	(\$6.6 million) Deficit
Funding Surplus/(Deficit)	(\$11.7 million) Deficit	\$6.7 million Surplus	\$8.5 million Surplus	\$6.4 million Surplus

On current estimates, it is anticipated that the actual result for 2013/14 will be a deficit \$20 million, almost \$10 million better than anticipated. Likewise the forecast included in this 2014/15 operational plan and budget is significantly ahead of previous forecasts at \$11.9 million deficit and on current estimate The City of Newcastle's financial position will return to funding surplus in 2015/16, 12 months ahead of the earlier plan. Achieving an operating surplus is the next goal and this projected to be achieved in 2018/19.

This result can be attributed to a range of measures including reducing staff numbers, prioritising capital works projects and increasing revenues through Council's commercial activities. Fast tracking the initiatives by implementing them in the first half of 2013/14 rather than the originally forecast 2 year period has been the primary influence that has placed Council's financial position ahead of the timeframe initially estimated to return to surplus. A special rate variation remains a key element of the turnaround to a surplus so the focus is on realising an operating surplus.

Council has also been working to reduce its infrastructure backlog by selling properties that are no longer required for service delivery. Money from the sale of these properties is returned to the Land and Property reserve where it is quarantined as a funding source for future property acquisitions and reduction of the infrastructure backlog. Reducing the quantum of properties owned by Council also reduces future maintenance costs.

Over the next 12 months Council will continue to focus on productivity and cost control as it continues the journey to financial sustainability. Notwithstanding, Council has made tough decisions to reduce costs, the Delivery Program incorporates a special rate variation of up to 3.6% per annum above the rate cap for five years commencing 2015/16. This has been unavoidable due to the underlying cost of providing services exceeding the rate cap; particularly labour, energy and fuel costs. Council has made significant progress over the past 12 months and is committed to continuing the journey to financial sustainability.

Ken Gouldthorp
General Manager

Overview

The Newcastle Local Government Area (LGA)

Newcastle is a cosmopolitan coastal city with a rich history and a thriving dining, shopping and arts scene. Newcastle was named one of the top 10 cities in the world in Lonely Planet's 'Best in Travel 2011' guide.

Newcastle is bordered by a beautiful coastline and is the world's largest coal port. This contradiction is evident in many parts of the city and forms the character of this great city.





Newcastle

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

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 Coquun.

Novocastrians are known as a proud community shaped by our heritage. 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. We have coped with earthquakes, floods and the closure of major industries and we continue to grow and change.

Population

Newcastle 154,896

NSW 7,211,500



Born overseas

Newcastle 12%

NSW 26%



Renting



Newcastle 33%

NSW 29%

Median Age



Newcastle 37,
NSW 38

Households with internet connection

Newcastle 71%

NSW 73%



Household size



Newcastle 2.3

NSW 2.6



Aboriginal population

Newcastle 3%

NSW 3%

Elected Council 2012-2016



Lord Mayor

Cr Jeff McCloy

Ward One Councillors

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
1



Cr Michael Osborne



Cr Stephanie Posniak



Cr Lisa Tierney

Ward Two Councillors

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

Ward
2



Cr Tim Crakanthorp



Cr Therese Doyle



Cr Brad Luke

Ward Three Councillors

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

Ward
3



Cr Nuatali Nelmes



Cr Andrea Rufo



Cr Sharon Waterhouse

Ward Four Councillors

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

Ward
4



Cr David Compton



Cr Jason Dunn



Cr Allan Robinson



Consultation

Community consultation

In developing the Delivery Program 2013-17, Council has considered the priorities and expected levels of service that have been expressed by the community during our engagement processes in the development of Community Plan 2013-2023.

The draft Delivery Program and Operational Plan was placed on exhibition at Council's City Administration Centre, libraries and on our website between 7 May 2014 to 4 June 2014.

Tracking issues



Keep up to date with Council's news, announcements and issues via Council's website, Facebook page, Twitter, YouTube and Council's newsletters

Newcastle Voice



Join over 2,400 Newcastle Voice members today and be part of the growing number of people participating in Council's public consultations on a host of topics. Your input will assist us to make more informed decisions.

Join a Committee



Council committees draw on the knowledge and expertise of residents. These committees provide a broader base of information to Council on matters of concern which may impact on the LGA.

Come to a meeting



You are always welcome to come to one of Council's meetings. By attending meetings you can gain a better understanding about the way Council works and the decision-making process.

Talking to a Councillor



Councillors are your representatives and are keen to hear your thoughts and address your concerns, so let them know what you think.

Financial overview

Delivery Program Objective

The key objective is to achieve financial sustainability in the medium term, whilst still achieving the Council's strategic objectives and budget principles as specified in The City of Newcastle's Delivery Program 2013 - 2017.

Delivery Program progress in 2013-2014

Significant progress has been made in 2013/14 on addressing the financial challenges noted in the Delivery Program document last year. Urgent and decisive steps have been taken to address a pattern of ever increasing operating deficits. This has involved making difficult decisions such as reducing staff numbers, reducing capital investments, selling non-core assets (particularly where significant restoration work was required), identifying revenue generation options and avoiding increasing debt.

The trend of increasing operating deficits has been contained with actual deficit for 2013/14 currently (15 April 2014) estimated at \$19.9 million. This is \$10 million better than anticipated.

The two initiatives having the greatest impact in 2013/14 were both reflected in the Delivery Program last year (and reflected in the Long Term Financial Plan). These were (1) an organisation restructure to reduce ongoing costs and (2) a program of asset sales to reduce the asset backlog. The financial impact of the organisation restructure will reflect fully in 2014/15 and the benefits will apply to future years.

The organisation restructure has been accelerated and undertaken over one rather than two years. It has resulted in staffing being reduced at all levels of the organisation. Total staff (actually equivalent full time staff or EFTs) has been reduced from 1,017 to 935 EFT (and a further reduction to 920 EFT by the end of 2014/15). The staffing reduction has been achieved with only a limited impact on the level of service to the community. This has been an important objective of the restructuring.

The asset backlog is the investment required to restore our infrastructure to a state that would be expected for those assets. Operating deficits over a number of years has resulted in an under-investment in our infrastructure and deterioration in the condition of those assets. The City of Newcastle has identified a number of assets which do not support or provide limited benefit to the community. Many of these assets are also in need of investment to restore them to a reasonable condition. Selling these assets avoids the need to undertake this restoration work and also enables the Council to apply funds to restore community assets.

The 2014/15 Operating Plan Summary

These initiatives will also contribute to an improvement in the operating position for 2014/15. The key numbers are reflected below.

Income and expenditure statement Budget for the financial period ending 30 June 2015	Adopted Budget 2013/14 \$,000	Draft Budget 2014/15 \$,000	Variance \$,000	Variance %	LTFP 2014/15
Total operating revenue	205,634	215,969	10,335	5%	215,348
Total operating expenses	235,546	227,840	(7,706)	3%	237,403
Total operating revenue Less Operating Expenditure	(29,912)	(11,871)	18,041	-60%	(22,055)
Total Capital Raising revenue	7,515	13,981	6,466	86%	20,136
Net Surplus/(deficit) after capital revenue	(22,397)	2,110	24,507	-109%	(1,919)
Funding available for capital expenditure	33,212	49,038	15,826	47%	55,182
Total capital spend	45,361	54,989	9,628	21%	49,893
Net Transfers from/(to) restricted assets	388	12,485	12,097	3118%	1,595
Net Overall Funding Surplus/(Deficit)	(11,761)	6,534	18,295	-156%	6,884

The operating deficit is projected to be smaller than that for 2013/14 due primarily to lower employee costs and a reduced deficit in the Long term Financial Plan/Delivery Program for 2014/15 (as presented last year) due to the accelerated organisational restructuring and lower depreciation costs.

As the numbers demonstrate there will still be an operating deficit, all be it smaller than recent years. All deficits (past and present) result in lack of capital investment and/or capital works being funded by reducing reserves or via one-off asset sales. Neither option is sustainable. 2014/15 involves a combination of these approaches with \$7.7 million of asset sales and net transfer of funds of almost \$5.7 million (transfer from reserves of \$12.4 million less overall funding surplus of \$6.7 million).

Therefore while these initiatives will reduce Council's recurrent expenditure into the future by \$7.5 million per annum, it is still not enough to ensure long term financial sustainability.

Each year there is an operating deficit there will be insufficient funds to invest in restoring ageing assets or restore assets in an unsustainable manner by eroding reserves or increasing debt levels. Not addressing the asset backlog is often more expensive than prompt action or maintaining assets in good condition as restoration can require extensive capital works. Ageing assets can also impact the services or amenity available for the community.

If the financial imbalance is not addressed the deficit becomes greater and restoring Council becomes more challenging with a more aggressive response being required. More aggressive responses often require the reduction of Council services to finance the additional cost for restoring core community assets. It is for these reasons that achieving a financially sustainable position is being treated as such a high priority.

The 2014/15 Operating Plan in more detail

A view of the operating plan in more detail helps explain the key movements and the challenges and possible risk areas:

Income and expenditure statement Budget for the financial period ending 30 June 2015	Adopted Budget 2013/14 \$,000	Recalibrated Budget* 2013/14 \$,000	Draft Budget 2014/15 \$,000	Variance \$,000	Variance %	LTFP 2014/15 \$,000
Operating revenue						
Rates and charges	118,305	118,305	121,748	3,443	3%	123,262
Rates and charges - Special Rate Variation	4,740	4,740	4,848	108	2%	4,859
User charges and fees	46,947	46,947	53,539	6,592	14%	50,082
Interest	6,858	6,858	6,735	(123)	-2%	6,636
Other operating revenues	12,394	12,394	11,132	(1,262)	-10%	13,719
Grants and contributions - operating	16,390	16,390	17,967	1,577	10%	16,790
Total operating revenue	205,634	205,634	215,969	10,335	5%	215,348
Operating expenses						
Employee costs	88,978	98,457	91,155	7,302	7%	90,057
Borrowing costs	4,220	4,220	3,959	261	6%	4,043
Materials and contracts	50,378	48,284	50,671	(2,387)	-5%	49,146
Depreciation and amortisation	55,609	55,609	46,928	8,681	16%	57,101
Other operating expenses	36,361	28,976	35,127	(6,151)	-21%	37,056
Total operating expenses	235,546	235,546	227,840	7,706	3%	237,403
Total operating revenue Less Operating Expenditure	(29,912)	(29,912)	(11,871)	18,041	-60%	(22,055)

*Shows the comparative changes in the way we now capture employee costs

Operating plan revenue appears in line with original Delivery Program projections. The different composition of revenue is less favourable.

- Rates and charges are a more certain revenue stream and also have no offsetting costs. Rates and charges have been capped at 2.3% for 2014/15 by IPART. This is lower than originally projected with a significant shortfall in the revenue source.

- User charges and fees have increased due to more revenue arising from higher utilisation of the Summerhill Waste Management Centre. Council however incurs significant charges under the NSW Government waste levy for this additional waste. In addition the waste levy will increase by \$10 plus CPI per tonne in 2014/15. These two factors are largely responsible for the facility's costs increasing by approximately the same amount as the revenue increase. Consequently Council receives no net gain from this revenue increase.
- In addition other revenues are estimated to be less than that projected within last year's Delivery Program. A significant factor in this lower revenue is a reduction in parking fine revenue.

Council's operating cost position can be largely explained via three primary factors:

- Employee costs will be significantly lower due to accelerated restructuring to be largely completed in one rather than two years.
- Employee costs have been restated. Some employee costs have been captured under project costs (which have been recorded under materials and contracts). Council will be implementing new software which will enable more accurate capture of these costs and include them as employee costs. To support this change the Council has restated costs between these two cost categories.
- Regarding the reduction in employee costs, when the timing difference and restatement of costs are considered the employee cost reductions position Council to meet the employee cost estimates in 2015/16. Employee costs (prior to restatement) for 2014/15 are budgeted at \$82 million which is consistent with 2014/15 numbers published last year (\$84.3 million).
- Depreciation has been reduced for both 2013/14 and 2014/15. The depreciation has been adjusted in line with adjustments made to the audited accounts for 2012/13.

An asset revaluation exercise is currently in progress. This exercise takes place every five years (across all Councils) to revalue the infrastructure on the Council's balance sheet. Assets being revalued include buildings, roads, bridges, pathways and drainage. The last revaluation exercise (in 2010) resulted in an increase in asset values which resulted in a 25% increase in depreciation. Any restatement of asset values and the impact on depreciation will likely occur in 2015/16.

- Other operating expenses have increased. Approximately \$4 million of this increase can be attributed to additional waste management costs.

In summary:

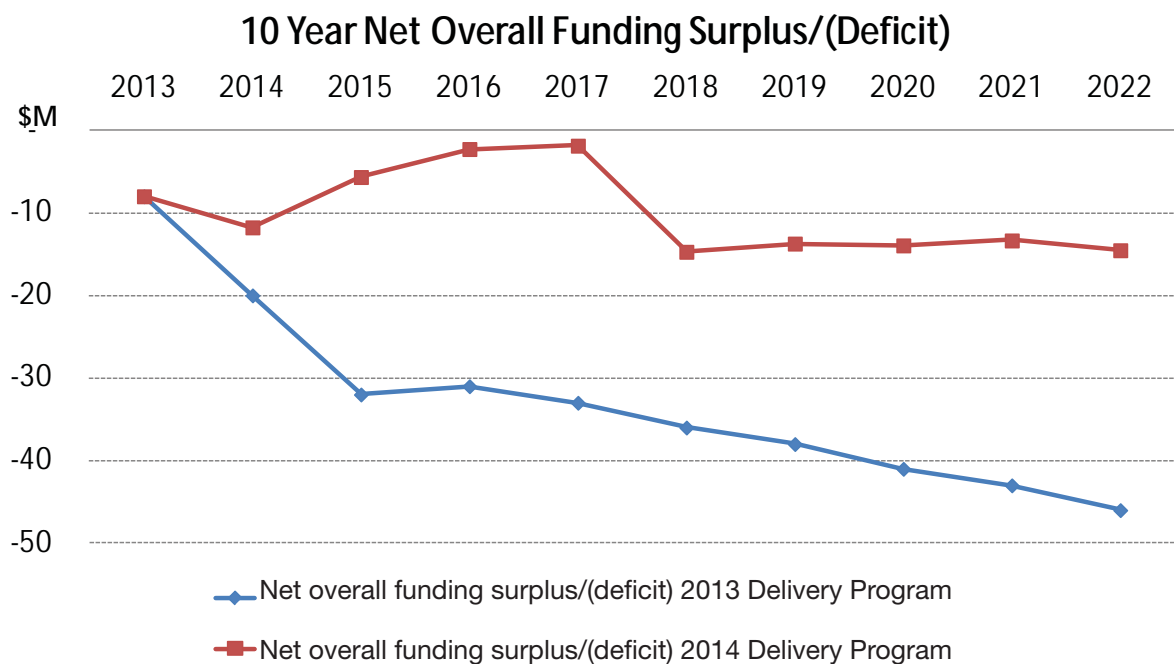
- Core revenue from rates has increased less than projected in last years' edition of the Delivery Program for 2012/13 to 2016/17. This is due to the rate cap being lower than prior years. Summerhill Waste Management Centre revenue although higher is largely offset by an increase in waste levy charges (noted below).
- The cost side of the operating statement largely explains the reduction in the operating deficit.
 - The reduction in employee expense is an essential element in reaching a financially sustainable position. Council has achieved the employee cost reductions within one year thereby reflecting the full benefit from the restructuring in 2014/15 (one year ahead).
 - Depreciation savings (\$11 million) are also a significant contributor to the reduction in costs.
 - Higher waste management costs (\$4 million) reduce the benefit from the other reductions.
- The operating deficit is projected to reduce significantly from that incurred in prior years (\$11.9 million). Further improvement is required to reach a sustainable surplus of 2.7% or approximately \$6 million.

Long Term Financial Plan

Council has, as per requirements under the local government Integrated Planning and Reporting Framework (IP&R), revised the Long Term Financial Plan and updated the Delivery Program for 2013-2017.

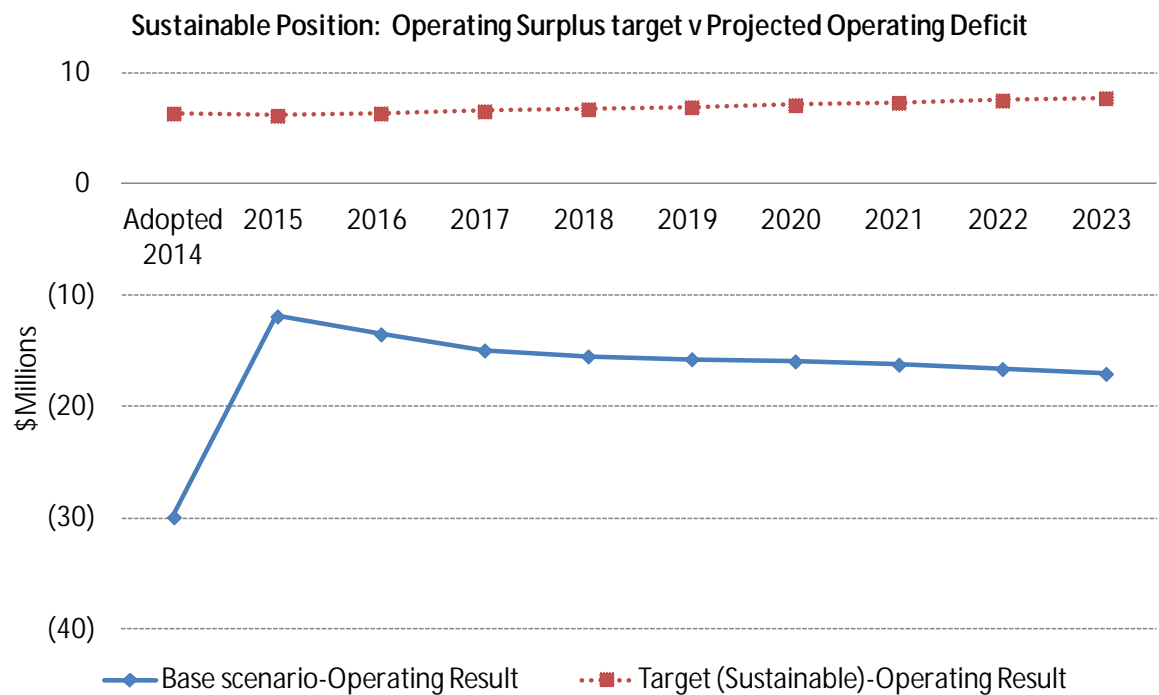
The Long Term Financial Plan is a key input into the Delivery Program. Prior projections have demonstrated the dire financial position Council would be in if no action was taken. As reflected in the graphs on the next page, significant progress has been made in turning around the financial health of the Council.

As will be seen in the graph below initiatives undertaken in 2013/14 and planned for future years have resulted in a significant turnaround of Council’s financial position.



Due to the magnitude of prior operating deficits and the substantial asset backlog the restoration of Council’s financial position to sustainability requires a multi-year program and a broad based response. Both revenue generating and expense reduction initiatives are necessary.

Programs to date have focused predominantly of expense reduction and asset rationalisation. Current and planned initiatives are not sufficient to achieve an operating surplus (see below).



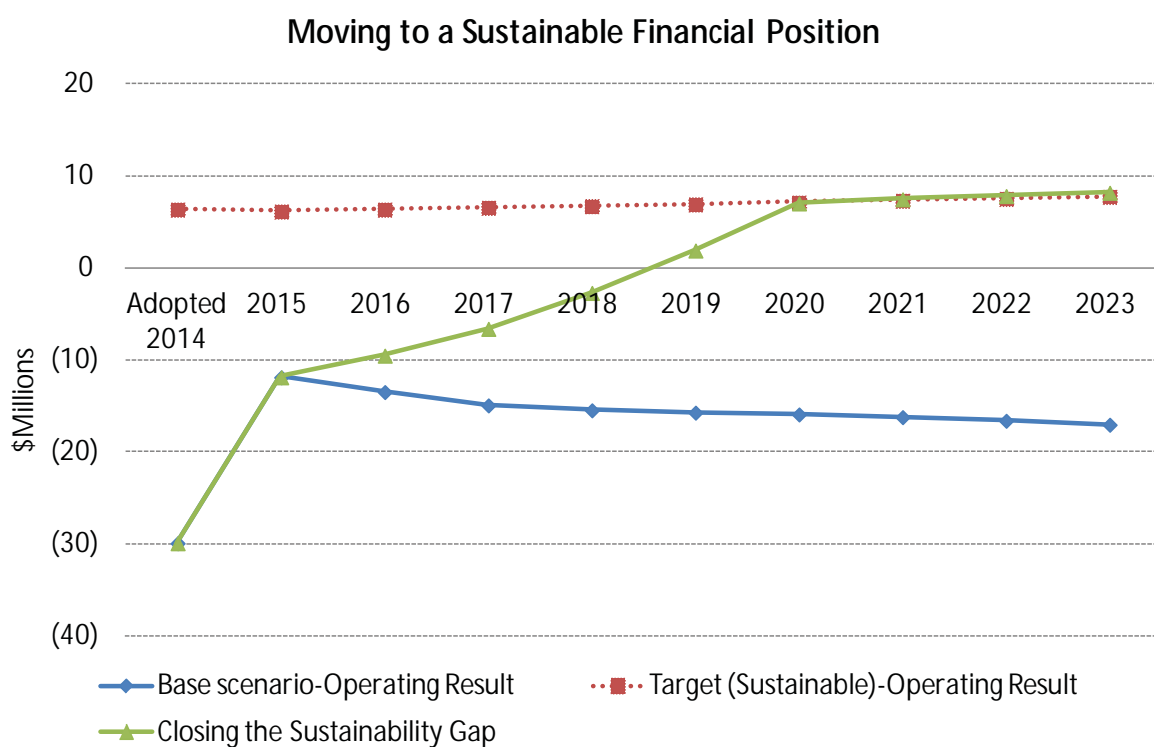
The revenue shortfall in the graph above is captured in the table over page:

Forecast Operating Position versus Sustainable Operating Position For the year ended 30 June	Adopted 2014 \$,000	2015 \$,000	2016 \$,000	2017 \$,000	2018 \$,000	2019 \$,000	2020 \$,000	2021 \$,000	2022 \$,000	2023 \$,000
Base Operating Position	(29,914)	(11,871)	(13,477)	(14,927)	(15,462)	(15,717)	(15,912)	(16,205)	(16,600)	(17,030)
Revenue Shortfall			19,836	21,481	22,207	22,646	23,030	23,521	24,126	24,772
Sustainable Operating Position			6,359	6,555	6,745	6,930	7,118	7,316	7,526	7,742

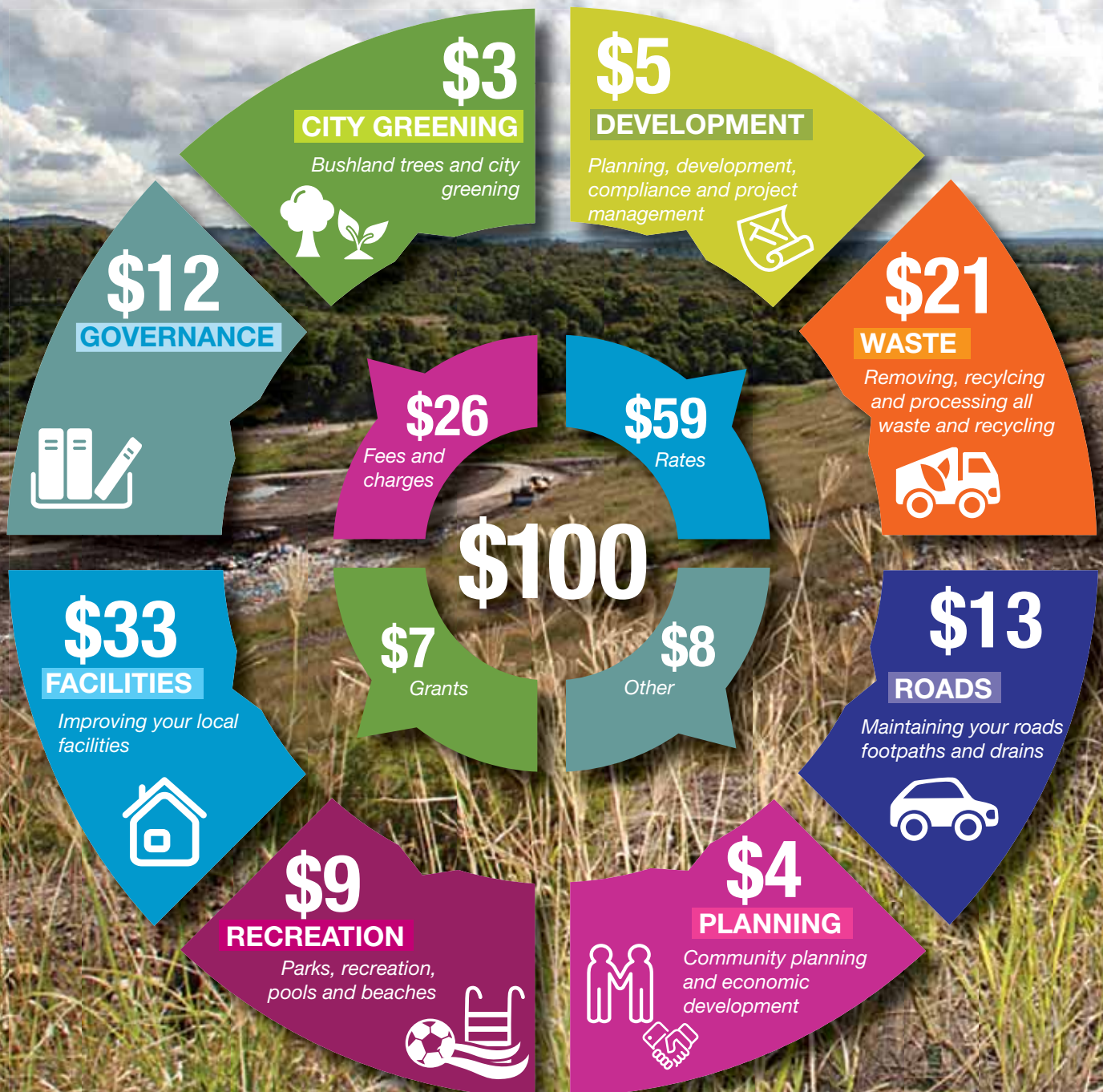
The next section of this report covers options for addressing the remaining gap in financial sustainability.

Revised Delivery Program projections for 2013/14-2016/17

The Operational Plan for 2014-2015 is included in the Delivery Program. The numbers below provide a summary of the four year period covered by the Delivery Program and highlight the gap that needs to be closed to achieve a sustainable operating position.



What's in our pockets to get things done



Addressing the gap in financial sustainability

The financial sustainability challenge

As noted in the financial overview significant improvement is projected in Council's operating results for 2014/15. This has been predominantly due to a substantial organisational restructuring which has reduced Council staff from 1,017 to 935 (and a further reduction to 924 EFT by the end of 2014/15). Employee costs have reduced largely in proportion. There is however still a projected deficit of \$11.9 million.

Council needs to achieve consistent operating surpluses of 2.7% of revenue to achieve a position of financial sustainability. This was noted in last year's edition of this document. The achievement of modest surpluses on a consistent basis is necessary to support provision of current services and to enable the Council to adequately maintain and restore community assets.

To achieve such a surplus requires a turnaround from the current projected deficit of \$11.9 million to a surplus of approximately \$6 million - an \$18 million turnaround.

Possible options to close the gap in financial sustainability

As noted in the Financial Overview Council has already taken significant action to improve the financial position. Particular reference was made to the organisational restructure and asset sales. The core initiatives being undertaken and progress is covered on pages 46 and 47. Even with these initiatives Council will still incur future operating deficits. A key question is are there other possible initiatives of sufficient scale to close the gap.

Other possible revenue enhancement options

The opportunities available to Council to substantially increase revenues are constrained. Key revenue items are:

- The largest source of revenue is rates (approximately half of all revenue). A rate cap significantly restricts the level of revenue growth possible.
- Charges for residential and business garbage removal need to align to underlying costs and therefore do not support revenue growth.
- Summerhill Waste Management Centre has increased revenue however this has been largely offset by increased costs due to the NSW Government waste levy increasing by approximately 12% per tonne per year. The facility also needs to remain competitive with private suppliers. A few years ago Council's rates were deemed uncompetitive and Council lost business to competitors.
- The community does not favour the introduction or increase of "user pays" fees for items such as on street parking or community facilities.
- Applying entry fees to exhibitions at Newcastle Museum and Newcastle Art Gallery have resulted in a significant reduction in visitors (actual revenue does not match projected revenue). This impact is consistent with global experience and consequently other revenue options are being investigated.
- Asset sales will release funds for capital works and addressing the backlog however these asset sales will only improve the operating position if a profit is made on sales. This might not be possible where the assets are in a poor condition.

In summary, Council will seek to increase revenue in areas other than rates where possible. As noted in the analysis above there are limited opportunities due to other revenue sources being one or more of the following:

1. revenue are of limited scale; and,
2. legislative constraints, community expectations or market pressures limiting the options for increasing charges.

As a result these revenue options can assist to some degree in improving the operating position however these options cannot drive a substantial turnaround in Council's financial position.

Other expense reduction options

As noted on page 46, Council will add a productivity factor into future years. This will help moderate any special

rate variation required. A high level review of Council expenses confirms there is not the capacity to reduce expenses of the scale needed without significant impact to services and further deterioration in the condition of community assets. Key factors supporting this are:

- Employee costs have already been reduced by \$8 million as a result of a 9% reduction in staff (equivalent full-time staff). Further reductions can only be limited if service levels are not to be impacted and maintenance of assets is not to be further eroded. Ongoing productivity initiatives will continue. The impact of these productivity initiatives will be incremental rather than a step change in costs (unlike the recent organisational restructuring).
- Expenses for materials and contracts is predominantly associated with external contract providers and materials. Council already undertakes a transparent and competitive tender process to select the optimal bid for maintenance and capital works. Materials are subject to market forces and the market price for materials can be volatile.
- Depreciation costs are largely associated with roads, pathways, cycleways, drains and Council buildings. The vast majority of these assets will need to be retained and maintained for the community. Indeed there is the possibility of higher depreciation costs arising from a current asset revaluation exercise.
- A substantial component (approximately two thirds) of other expenditure is associated with the Summerhill Waste Management Centre. As has been noted already a substantial (and increasing proportion) of these costs is associated with the NSW Government waste levy. The waste levy is a NSW Government charge for all waste that cannot be recycled. The government has been increasing these charges by \$10 + CPI of each year until 2015/16.

Other Councils have the same challenges

IPART announced a 2.3% rate cap for 2014-2015. This is the lowest increase since 1998/99. NSW has in general had lower increases in rates than other states. This has resulted in many councils having similar challenges to those of The City of Newcastle. This is reflected in the following analysis of applications and determinations within NSW:

Year	Applications				Determination		
	Total	Multiple Year	Single Year	Minimum Rate	Full	Part	Declined
2011/12	23	13	8	2	9	10	4
2012/13	16	4	10	2	10	6	0
2013/14	24	8	15	1	21	3	0
2014/15	33	20	12	1			
Total	96	45	45	6			
Total Councils (Current)	152						

A majority of councils have applied for special rate variations over the last four years with almost a third applying for multiple year variations. Only four applications have been declined and the proportion accepted in full has increased each year.

Neighbouring councils have needed to deal with the same challenges and have already initiated (and in many cases succeeded) in obtaining approval for multi-year special rate variations. Council applications and status are:

Council	Year							
	Commencing	1	2	3	4	5	6	7
Lake Macquarie	2012/2013	10.36%	10.17%	6.23%	5.58%	5.25%	4.75%	4.75%
Maitland	2014/15	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
Coffs Harbour	2014/15	7.90%	8.14%	7.75%				
Wollongong	2014/15	6.13%	6.22%	6.23%				

Special rate variation

A special rate variation is required to address the operating deficit

The financial overview highlighted the current and projected financial position and the consequences of not addressing the operating deficit. A graph on page 16 reflects the current gap.

The issue of sustainability has been raised previously with a recommendation that a special rate variation (SRV) application be submitted in 2014/15 with a recommended commencement of 2015/16. All three planning documents (ISFA, LTFP, Delivery Program) have previously referenced the need to undertake an SRV. It was noted by Council resolution that an application would only be made as a last resort. Council believes that the substantial initiatives (excluding the SRV) will not result in financial sustainability being achieved. The initiatives and the status has been documented under resourcing the Delivery Program on pages 46 and 47.

	2016	2017	2018	2019	2020
Estimated rate cap	3.2%	3.2%	3.2%	3.2%	3.2%
Proposed special rate variation increment	3.6%	3.6%	3.4%	3.3%	3.3%
Proposed special rate variation	6.8%	6.8%	6.6%	6.5%	6.5%

The need for a SRV has become clearer now that other options have been executed successfully resulting in significant improvement in the financial position.

Council officers have modelled a range of financial forecasts and recommend Council makes an application to the IPART for a 508A SRV commencing in 2015/16 of up to 3.6% per annum above the rate cap for five years. This corresponds to a total rates increase of up to 6.8% per annum (including the rate cap set by the IPART) from 2015/16 til 2020/21. A community consultation process will be undertaken before a final SRV amount and duration is recommended to Council for adoption. Without this SRV increase, the gains made since the adoption and implementation of the 2013/14 Operational Plan, including significant staff cuts, will be eroded and Council will fall further into deficit by 2018/19 or earlier, further jeopardising Council's financial sustainability.

The City of Newcastle has demonstrated a commitment to fiscal responsibility during the 2012/13 and 2013/14 financial years. This has involved making some difficult decisions and implementing these decisions effectively. Council would like to conclude the transition to a position of financial sustainability so the primary focus can be redirected towards community services and prudent management of community assets.

2012 Special Rate Variation – An update of plans for 2014/15

- The top priority under the 2012 SRV is Hunter Street revitalisation budgeted at \$1,431,079 for 2014/15.
- The coastal revitalisation program is the next highest priority. Specific projects identified for 2014/15 are listed below:

Coastal Revitalisation Projects	Coastal Revitalisation Program requirement 2014/15
Planning and communications	\$700,000
Merewether Ocean Baths Pavilion	\$1,800,000
Dixon Park - Stage one	\$ 840,000
Dixon Park - Stage two	\$1,250,000
South Stockton	\$ 481,000
King Edward Park	\$3,200,000
Nobbys to Newcastle Bathers Way	\$2,000,000
Total	\$10,271,000

Note: Submission for 2014/15 is currently \$10.2 million against \$9.8 million available for 2014/15 under the SRV. It is proposed the difference will be funded from 2013/14 funds.

2014/15 cycleway funding

- Specific cycleways projects are budgeted at \$900,000 for 2014/15 within the roads program. This will be funded via s94A and grants.
- In addition, Hunter Street and all coastal revitalisation projects involve the development of shared pathways.
- Funding for future years will be integrated into other programs such as coastal revitalisation and Hunter Street.

2013/14 funding

- Blackbutt received \$1.8 million in funding in 2013/14 and is likely to receive further funding in 2015/16.
- Budget for the cycleways program is \$3,454,487 for 2013/14 including \$989,666 SRV funds and 94A. To date \$1.7 million has been spent on Hobart Street, New Lambton; Lambton Park to Croudace Street; Glebe Road, The Junction; Wilkinson Avenue; Turton Road, Waratah; Glebe Road, Adamstown; Scenic Drive, Merewether; Park Avenue, Kotara; Minmi Road, Maryland and the Inner City Bike Lanes project.
- Coastal revitalisation had a revised budget of \$4.6 million for 2013/14 with to date \$2.2 million spent on Merewether Public domain and Ocean Baths, Dixon Park stage one, South Stockton, Nobbys to Newcastle and King Edward Park.

Delivery Program

The Delivery Program is Council's commitment to its community over four years – the length of Council's term. It outlines what Council proposes to do to achieve our community's priorities by translating outcomes and strategies into programs, projects and actions.

The plan addresses how Council plans to meet the seven strategic priorities in the Newcastle 2030 Community Strategic Plan.

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

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	•	•	•	•	•	•	•
Lead Agency			•		•		•



Your community strategic plan

What you want

YOUR COMMUNITY STRATEGIC PLAN

- A 10 year vision of where the people of Newcastle want to be in 2023
- Developed in accordance with Community Engagement Strategy
- Outlines the key outcomes and strategies which form the basis of our planning
- Reviewed at the start of a new Council term
- Four year reporting - end of term report

How we propose to deliver

DELIVERY PROGRAM

- A four outlook (length of Council's term)
- Establishes rolling out major projects and performances measures outlining how Council will address and measure progress towards the strategies contained with the your Community Plan
- Includes a four year capital works program
- Allocates high level resources to achieve the projects over a four year period
- Six-monthly reporting plus Annual Report

What we propose to do

OPERATIONAL PLAN

- A one year outlook
- Contains actions Council will undertake in the financial year to address the Delivery Program projects
- Includes one year capital works program
- Allocates resources necessary to achieve the actions in the financial year
- Quarterly reporting

RESOURCING STRATEGY

- Includes
 - **10 year Long Term Financial Plan**
 - **Four year Workforce Management Plan**
 - **10 year Asset Management Framework**
- Contains information on the time, money, assets and people required by Council to progress the projects within the Delivery Program and move towards achieving our community outcomes
- Reviews at start of new Council term

Strategies and objectives

The Newcastle 2030 Community Strategic Plan was developed following a significant shared planning process with direct input from a wide cross-section of the community.

It seeks to build on our strengths and unique assets, and describes our shared long-term vision for a resilient city that is smart, liveable and sustainable.



Reflecting the shared priorities of the Newcastle community, the Newcastle 2030 Community Strategic Plan is a guide to inform policies and actions throughout the local government area. It identifies 23 objectives to be achieved in the next 10 years across seven key strategic directions:

A connected city

A protected and enhanced environment

Vibrant and activated public places

A caring and inclusive community

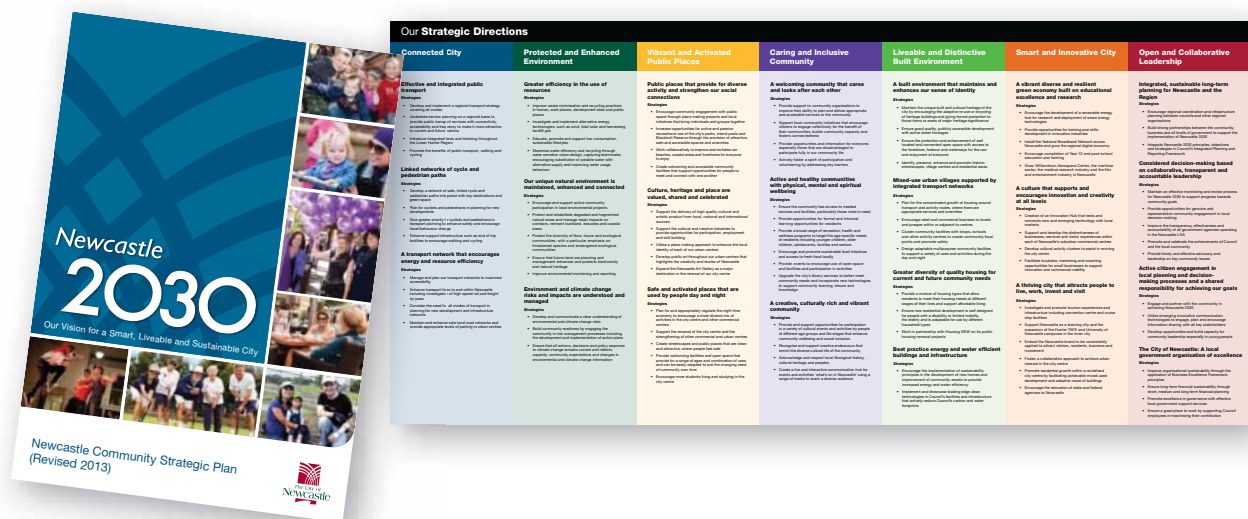
A liveable and distinctive built environment

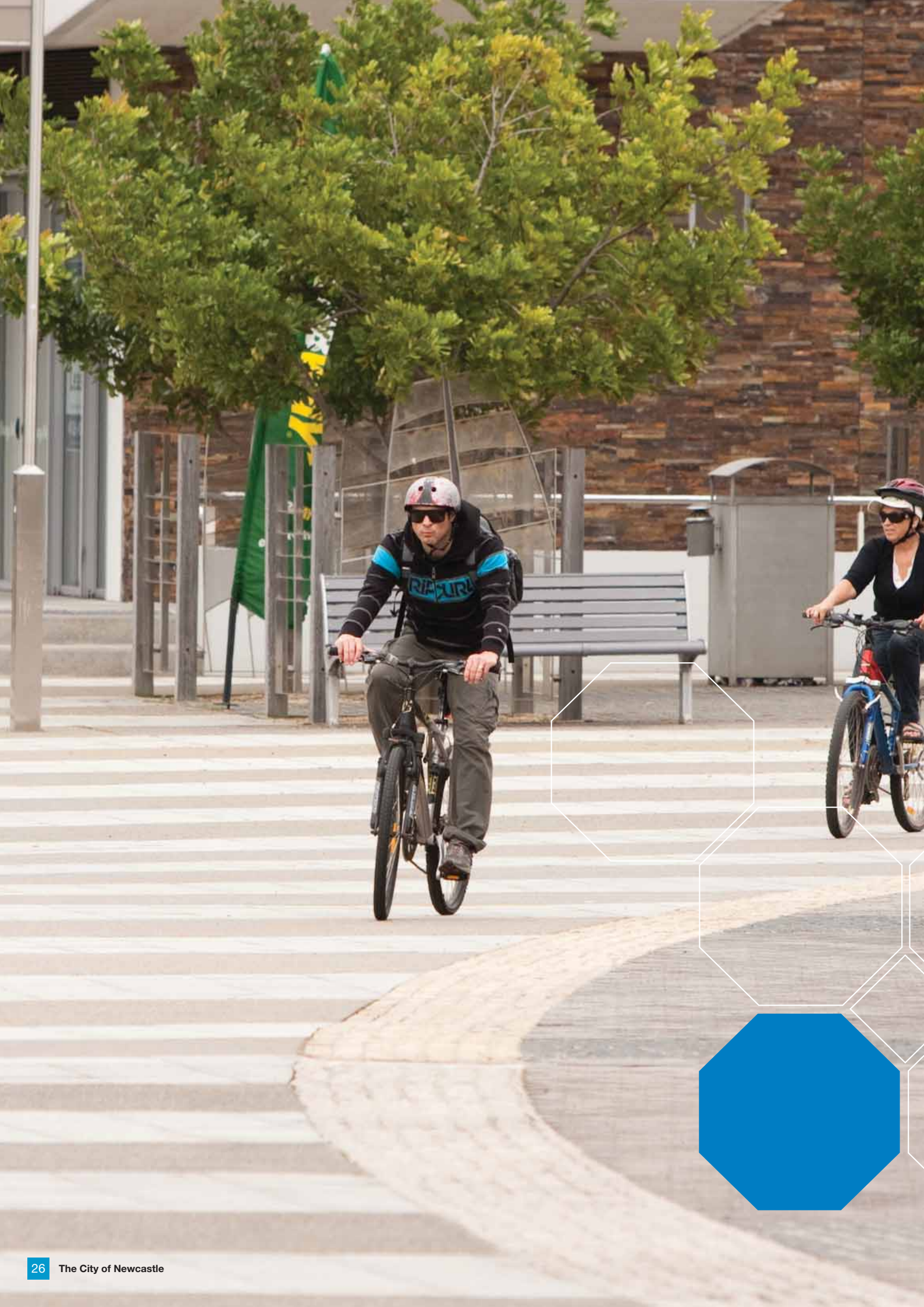
A smart and innovative city

Open and collaborative leadership

Achieving these objectives requires the involvement and partnerships of government at all three levels, the business sector, community groups and residents. Key strategies are also supported by the NSW 2021 State Plan and associated local regional action plans.

Successful implementation will ensure that the community's economic, social and environmental considerations are integrated into decision-making processes, and that sustainable outcomes are achieved through balancing the short and long-term needs of government, the business sector, community groups, residents and visitors.







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

Proposed priorities

- Liaison and partnering with other government representatives and community members to facilitate optimum transport outcomes for Newcastle
- Completion of concept plans, detailed designs and commencement of construction of a safe east-west cycle route from Broadmeadow to the city centre and a north-south route from Merewether to the city centre
- Improvements to bus stops, shelters and seating throughout the city
- Development and implementation of a workplace travel plan for Council
- Expansion of the footpath and shared path networks throughout the city
- Improvements in way-finding signage throughout the city
- Completion of the city centre parking study and implementation of its recommendations
- Completion of a comprehensive audit of cycling facilities in the city
- Improved safety for all road users, through implementation of pedestrian access and mobility plan projects and local area traffic management projects.





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.

Proposed priorities

- Improved measurement and education about carbon footprint
- Expand green corridors
- Grow our canopy cover including appropriate street trees
- Enhance riparian Zones
- Regenerate the coastal environment with endemic species
- Education and monitoring of the environment to encourage appropriate behaviour
- Socialising our streets through greening
- Plant more vegetation including green roofs and walls and planter boxes
- A strong and wetland rehabilitation program
- Support and promote volunteer environmental programs
- Seek solutions to improve air quality
- Be a water sensitive city.





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.

Proposed priorities

- Implement the Newcastle heritage strategy 2014
- Partner with the NSW state government to deliver the Newcastle Urban Renewal Strategy and various catalyst projects and infrastructure initiatives, which will stimulate activities, jobs, development and investment in the City
- Further develop the Bathersway program, including the upgrade of Newcastle and Merewether Ocean baths
- Implement the Parklands and open space strategy
- Continue to provide small grants for façade improvement and place making
- Facilitate and support broad participation in community arts based programs/initiatives
- Facilitate night time economy and safety initiatives
- Identify a site for the development of a district park
- Deliver events for the local community and visitors.





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.

Proposed priorities

- Continue to provide programs for the Civic Theatre, Playhouse, City Hall and Fort Scratchley
- Trial on line social media sites, like Facebook, Twitter and Pinterest
- Council to maintain active and passive sports facilities throughout our parks
- More government funding, fund-raising and advertising to promote cultural awareness
- Prepare and deliver Youth Week
- Update internet site for new residents
- Provide support for grass-roots movements including community gardens, markets and Men's Sheds
- Creative ways to engage local people through Make Your Place grants
- A network of community facilities across the city
- An active health and wellness program supported by three levels of government.





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.

Proposed priorities

- Encourage community participation and responsibility in heritage conservation and reuse
- A mix of affordable housing which offers choice and supports a reasonable quality of life
- People-focused residential housing and commercial development along our urban corridors
- Urban form that builds in the natural environment
- Convert old industrial and commercial sites into apartments and townhouses.
- Implement the renewal corridor plans for Islington, Mayfield, Hamilton, Broadmeadow and Adamstown
- Implement the Place Making policy
- Partner with the NSW state government to deliver the Newcastle Urban Renewal Strategy and various catalyst projects and infrastructure initiatives, which will stimulate activities, jobs, development and investment in the City
- Provide a flood management study
- Update the local planning strategy to guide people focused residential developments
- Implement the Newcastle heritage strategy 2014.





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.

Proposed priorities

- Working with UrbanGrowth NSW to deliver significant catalyst projects for the City's Revitalisation
- Adopt the Economic Development Strategy for The City of Newcastle
- Implement the destination management plan
- Support urban revitalisation
- Working in partnership with key stakeholder such as the University of Newcastle
- Facilitate a formation of BIA (Business Improvement Association) for The Junction and Honeysuckle
- Provide a economic development sponsorship program
- Facilitate the BIA to achieve the goals for their local areas.





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 The City of Newcastle: a local government organisation of excellence.

Proposed priorities

- Develop partnerships and networking with community, government and business
- Actively build capacity for community participation in leadership including mentoring and support
- Promote two-way information and feedback hubs to encourage people to maintain their involvement in planning and decision-making activities
- Support decisive, collaborative and proactive leadership
- Ensure long term financial sustainability through our long term and short term goals
- Provide a State of the City Report to measure our progress towards the goals in Newcastle 2030
- Continue to provide Newcastle Voice, webcast our meetings and provide Council meetings open to the community.

Corporate goals

No.	Objective	KPI	Measure
CG1	Deliver on the key civic projects determined as the priorities for the community	Key civic projects 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
CG2	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
CG3	Maintain a net operating surplus to ensure financial sustainability	Improve financial sustainability of Council	Net operating surplus ratio of 2.5%
CG4	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
CG5	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
CG6	Renew and maintain assets within a sustainable range	Annual Renewal Ratio	Target Range = -10% / 10%
CG7	Identify opportunities for asset rationalisation to fund the infrastructure backlog	Unfunded infrastructure backlog: infrastructure backlog (\$ million) – internally available infrastructure funding (\$ million) = unfunded infrastructure backlog	To reduce the infrastructure backlog ratio to less than 2% over the next 10 years
CG8	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

Four year financial plan

The Delivery Program 2013-2017 will include all prior planning documents that remain relevant as key inputs. Financial sustainability of The City of Newcastle has been a long term issue. The Newcastle Report, 13 February 2007, by Percy Allan addressed this issue and recent analysis and reports have suggested greater urgency. Key reports include:

The Integrated Strategic Financial Analysis (ISFA)

- Extensive coverage of adverse financial position and asset backlog
- Highlighted both systemic issues in NSW and factors unique to The City of Newcastle
- Broad range of actions recommended including significant capital works

The Report of the Financial Advisory Panel (FAP)

- Noted a significant capital works program was not viable due to weak financial position
- Recommended against funding new capital works via debt

The Long Term Financial Plan (LTFP)

- Modelled financial projections - based on ISFA and economic assumptions.
- Identified specific actions such as areas of cost reductions, asset sales (reducing backlog) and revenue actions (including multi-year SRV) to achieve a sustainable outcome
- Scenarios demonstrated the need for a broad based response as the only sustainable outcome

Financial Sustainability

FiscalStar in a 2009 Local Government Review defined sustainability as: *"Maintaining an investment grade credit rating through achieving three primary goals:*

1. *A minimum 2.5% budget surplus ratio, so that future ratepayers are not left with excessive share of the cost of capital*
2. *A maximum 60% Net debt and other financial liabilities to total operating revenue, and*
3. *A maximum 2% unsatisfactory infrastructure, unsafe or unsightly."*

Secondary goals were:

4. More revenue through own sources than through Government grants
5. Keeping operating expenditure growth less than revenue growth making extra infrastructure renewal monies available for backlogs
6. Having a modest physical asset base
7. Keeping rates to no more than between 1 and 1.66 times CPI each year and unsustainable was more than two times or more than the CPI.

High Level Assessment

- A 2.5% budget surplus ratio would require Council to have an operating surplus of approximately \$5.5 million to \$6 million (based on a \$215 million revenue base).
- Asset backlog (as a proxy for this unsatisfactory infrastructure) would need to be approximately \$18 million (based on ISFA) to meet the 2% target.
- Wages cost would need to increase less than CPI if revenue (per rate cap) remained constrained below CPI. Australian labour cost indices are usually a significant increment above CPI.
- The City of Newcastle has gross assets of approximately \$2 billion and net assets of approximately \$1.6 billion. A significant asset base.
- Implication is rate increases based on guidelines indicate sustainable increases are in the range of 2.8% to 4.7% (assuming CPI of 2.8%*) and rates increases above 5.6% per annum would not be sustainable in the longer term.

Four year financial budgets (Including SRV and productivity adjustment)

Project Description	Operational Plan			Delivery Program	
	2013/14 Adopted Budget \$'000	2014/15 Proposed Budget \$'000	Variance \$'000	2015/16 Forecast \$'000	2016/17 Forecast \$'000
Operating revenue					
Rates and charges	118,305	121,748	3,443	129,343	137,418
Rates and charges - Special Rate Variation	4,740	4,848	108	5,003	5,163
User charges and fees	46,947	53,539	6,592	55,342	57,045
Interest	6,858	6,735	(123)	6,646	6,264
Other operating revenues	12,394	11,132	(1,262)	11,488	11,856
Grants and contributions - operating	16,390	17,967	1,577	17,967	17,967
Total operating revenue	205,634	215,969	10,335	225,789	235,713
Operating expenses					
Employee costs	88,978	91,155	(2,177)	94,118	97,176
Borrowing costs	4,220	3,959	261	3,814	3,669
Materials and contracts	50,378	50,671	(293)	52,293	53,966
Depreciation and amortisation	55,609	46,928	8,681	48,430	49,931
Other operating expenses	36,361	35,127	1,234	36,860	38,019
Productivity factor (0.2%)				(208)	(431)
Total operating expenses	235,546	227,840	7,706	235,305	242,330
Total operating revenue less operating expenditure	(29,912)	(11,871)	18,041	(9,517)	(6,617)
Capital revenues					
Grants and contributions - capital	6,715	6,680	(35)	6,680	6,680
Proceeds from the sale of assets	800	7,171	6,371	4,710	13,395
Total capital raising revenue	7,515	13,851	6,336	11,390	20,075
Net surplus/(deficit) after capital revenue	(22,397)	1,980	24,377	1,873	13,458
Add back depreciation	55,609	46,928	(8,681)	48,430	49,931
Funding available for capital expenditure	33,212	48,908	15,696	50,303	63,389
Capital expenses					
Asset renewals	25,000	24,505	495	20,500	25,000
New / upgrade	13,314	19,239	(5,925)	23,471	22,450
Special projects	7,047	11,245	(4,698)	5,991	5,153
Total capital spend	45,361	54,989	9,628	49,962	52,603
Net transfers from/(to) restricted assets	388	12,485	12,097	8,146	(4,347)
Net loans borrowings/(repayments)	0	0	0	0	0
Net overall funding surplus/(deficit)	(11,761)	6,534	18,295	8,488	6,060

Four year capital works program

Program	Operational Plan		Proposed Delivery Program	
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000
Roads	10,350	9,500	9,500	9,500
Buildings and Structure	12,975	9,300	9,300	9,300
Stormwater	3,540	2,600	2,600	2,600
Coastal and Estuary	1,610	1,200	1,200	1,200
Natural Assets	1,525	2,400	2,400	2,400
Less Non Capital	(5,495)	(4,500)	(4,500)	(4,500)
Sub Total	24,505	20,500	20,500	20,500
Corporate Projects	12,514	8,025	8,282	8,538
*Special Projects	11,245	5,991	5,153	7,840
Other Capital	6,725	5,648	5,829	6,010
Total	54,989	45,393	48,951	54,888

Note: This table does not include capital investments which are not infrastructure related.

*The special projects capital to be prioritised in accordance with the community ranking from the Micromex research 2011 Report and timing for delivery matched to cash flow. The cashflow for special projects is sourced from 5% capital restricted Special Rate Levy awarded to Council in 2011, section 94 funds and existing reserves.

These priorities are set according to the support as follows;

1. Revitalise Hunter Street
2. Revitalise our Coast
3. Upgrading Blackbutt
4. Providing new cycle ways

Resourcing the Delivery Program

The City of Newcastle employs more than 1,000 staff and is responsible for providing services and facilities to more than 148,531 people in our LGA. Sound resource planning is required to ensure Council is able to efficiently deliver services and facilities. This includes a suitably experienced and qualified workforce (within financial constraints) to deliver on both community expectations for customer-focused services and the community's vision for a smart, liveable sustainable city.

To resource the *Newcastle 2030 Community Strategic Plan* and the *Delivery Program 2013* (including the 2013/14 Operational Plan), Council has prepared three resourcing strategies:

- **Long Term Financial Plan**
- **Workforce Management Plan**
- **Asset Management Strategy**

Long Term Financial Plan

Integrated Strategic Financial Analysis (ISFA)

Financial modelling has forecast that the total operating and net position of Council will decline over the next 10 years with organisational expenditures outstripping revenues. The liquidity position will reduce over the period and will likely result in Council becoming illiquid due to reducing current assets and increasing current liabilities.

Advice to Council from the independent members of the Audit Committee, the Financial Advisory Panel (FAP), Treasury Corporation (T-Corp) and Fiscal Star (Percy Allen) have confirmed the following:

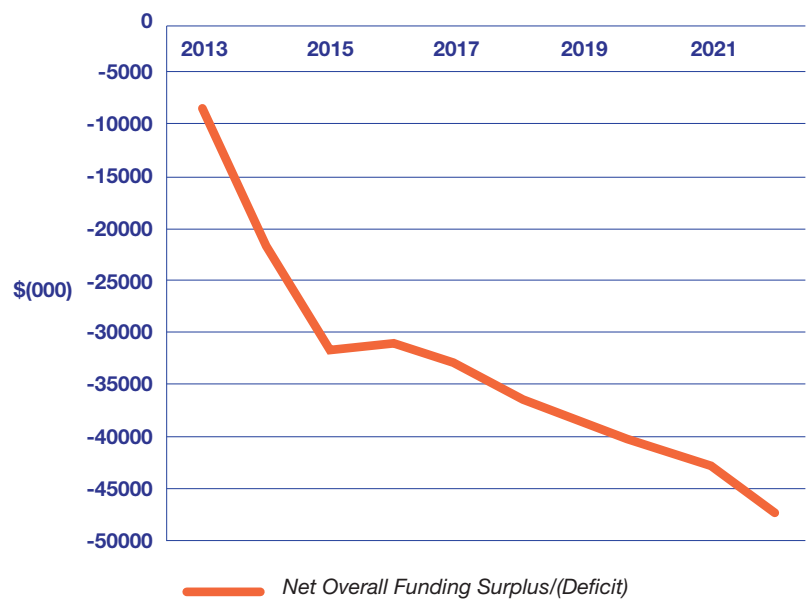
- Council is not financially sustainable in the medium to long term,
- Council will become insolvent as early as 2017 if no corrective action is taken,
- the infrastructure backlog is a serious issue to be addressed,
- taking on extra debt is a high risk strategy and should be avoided,
- taking on large scale capital projects should be avoided (until the solvency and deficit issues are addressed),
- bringing budgets back into surplus is essential,
- no single solution will work and all solutions will have an impact on the community and services to varying degrees,
- a number of strategic initiatives is required in order to adequately address the 13 budget issues.

Advice from the independent members of the Audit Committee also states:

- Council's future financial position is deteriorating and unsustainable,
- this situation requires immediate and decisive action,
- decisions must be made based on current, reliable, independently tested information and be free from political influence,
- given the risks associated with the assumptions and achievement of proposed sustainability options, the current 'Recommended Option' may not be sufficient to avoid the projected ongoing future financial difficulties.

The current decline in the net funding position should Council continue its 'business as usual' model is illustrated in Figure 1.

Figure 1: 10 Year Net Overall Funding Surplus/(Deficit)



The net overall funding shortfall continues to rise and at the current rate will exceed \$37 million by year 2022/23 if a ‘business as usual’ approach is taken.

As a result of this declining net position, Council has explored options to contribute to long term financial viability. These options included both expenditure reduction and revenue improvement strategies. The recommended option (Hybrid Option 2 in the ISFA) offers a combination of organisational efficiencies and savings in the first two years, improved financial performance of commercial venues and a special rate variation from financial year 2017/18 onwards.

A number of ‘additional strategies’ were identified in last years’ edition of the Delivery Program to improve the financial position of Council. The combined impact of initiatives in 2013/14 and future initiatives will result in Council significantly exceeding original targets. The most notable initiative in achieving this result is the organisational restructuring that has been completed. The 10 year savings projection from this initiative alone covers the projected savings of all other initiatives combined (excluding the proposed SRV).

The remaining initiatives have been adjusted based on more information being available.

- For example the asset sales estimate has been increased for the 10 year period.
- Some initiatives might not realise savings in the immediate term but are being retained due to potential in the longer term to realise benefits (Council will seek to address any shortfall by looking to identify additional revenue sources where possible. This does constitute some risk to Council achieving its budgeted revenue.
- The benefits of some initiatives have been reduced in line with recent experience (for example the Newcastle Airport dividend is less than originally estimated) or removed (no longer viable).

In summary The City of Newcastle is exceeding the original plans put in place to realise surplus. The only major initiative which is pending an outcome is the SRV application. The SRV application as noted earlier in the Delivery Program document is a critical element in Council moving from ongoing operating deficits to a sustainable position of recurring operating surpluses.

An update on the core initiatives is reflected over page.

Initiative	Original Initiative	Updated Initiatives	Current and Future Impact
Organisational restructuring	N/A as new initiative	Council had 1,017 EFT prior to the commencement of the restructure. The report to Council dated 24/9/14 'Determination of Council's organisational structure' resolved a maximum establishment of 935 EFT by end 2013/14 and a further reduction of 11 to 924 by end of 2014/15	Program is ahead of schedule and working to agreed targets. \$8 million savings in 2014/15. Estimated \$93 million over 10 years (assuming 3.25% salary increments)
Outsource swimming pool management	N/A as new initiative	Council is currently undertaking a tender for all swimming pools. Planned savings will be kept confidential during tender process but have been built into the operating plan	Tender is in progress
Productivity improvement	N/A as new initiative	Council will commit to the quantum of productivity savings assumed by IPART in determining the rate cap from 2015/16 onwards. 2014/15 will be excluded as there are already productivity / efficiency initiatives built into the plan that exceed this 0.2% factor. Projected savings to 2023 are \$8.8 million	Savings are built into projects for 2015/16 and commence in the same year as the proposed special rate variation (noted below)
Post ERP savings	These savings are \$0.5 million in year 2014/15. They will need to be achieved through efficiency and staff number reductions following the implementation of the new enterprise system in 2015. The total value over 10 years is \$2 million	Too early to determine savings from the program	
Energy savings	By setting a target each year for energy savings, including changing practices and implementing simple technology, a forecast annual \$0.1 million savings will occur by 2014. The total savings for the 10 year period is \$6.4 million	Retained in operating plan and projects at \$0.1 million for 2014/15. Savings of more than this will be possible in the future. An exercise will be undertaken in 2014/15 to more accurately size the benefit	Energy savings of \$0.1 million locked into 2014/15
Maintenance savings and capital raising from asset disposal	Based on an asset disposal program there will be maintenance and operational savings. In addition there will be capital raised through asset sales. This capital should be put into a concerted effort to remove the asset backlog over the next five years. The total raised for the 10 year period is \$5.3 million	Asset disposal program has been expanded. \$7.1 million has been included for 2014/15 with a further \$35 million through to 2023. The asset sales are dependent on various approvals so incur some risk of not being approved. The projected sales estimate has been moderated on this basis	\$0.8 million in asset sales will be achieved in 2013/14. The 2014/15 plan reflects \$7.1 million in asset sales. (Note: with the property transactions there can be timing differences in revenue recognition based on negotiated settlement dates and terms and conditions of sale)
City Hall	The City Hall budget will need to break even by 2015. This will be achieved through higher levels of bookings, better utilisation of rooms including leasing out some rooms to commercial tenants. The total additional income raised over the 10 years will be \$5 million	The City Hall estimate remains incorporated in the Operating plan (\$0.5 million) and reflected in all future year projections	The revenue projected is unlikely to be realised in 2014/15 however plans remain to achieve revenue in future years. Any shortfall will therefore need to be achieved from other sources to meet overall revenue target

Initiative	Original Initiative	Updated Initiatives	Current and Future Impact
Civic Theatre	Civic Theatre will provide improved financial performance by an additional \$250,000 by 2015. This will result in \$2.2 million increased revenue over the 10 year period	The estimate remains incorporated in the Operating Plan (\$0.25 million) and reflected in all future year projections	The revenue projected is unlikely to be realised in 2014/15 however plans remain to achieve revenue in future years. Any shortfall will therefore need to be achieved from other sources to meet overall revenue target
Newcastle Airport Limited (NAL) Dividends	Newcastle Airport is currently being restructured. Once complete the Airport will pay both Port Stephens and Newcastle Councils a dividend on profits. This dividend will be up to 10% per annum. A conservative 8% has been forecast in this plan. This return will provide \$23 million over 10 years	Dividends are less than originally projected. First dividend was \$0.6 million. This has been used as a revised basis for the 2014/15 operating plan and future projections. Ten year estimate is approximately \$7 million	First dividend received of \$0.6 million for 2013/14. This has been used as a guide for future years
Fort Scratchley, Museum and Art Gallery	Increased income opportunities will need to be applied to raise an additional \$250,000 by 2015. This will achieve \$2.5 million over the 10 years	The estimate has not been included in the budget due to further work required	The revenue is unlikely to be realised but is being retained for 2014/15 and future years. Any shortfall will therefore need to be achieved from other sources to meet overall revenue target
Waste Management	An improved position of \$0.5 million per annum will be required by 2015. This will raise an additional \$5.1 million in 10 years	Revised revenue target given success of business acquisition activities in 2013/14. It needs to be noted that costs also increase due to waste levy so net position is more important	Net benefit of \$2 million is built into the 2014/15 plan
Business Improvement Associations (BIAs)	BIAs are rate funded. This service should be full cost recovery. This will cost recover \$0.5 million over 10 years (ie. \$50,000 per annum)	Business Improvement Associations are a successful model and have been retained for 2014/15 and future years.	Estimate built into 2014/15 plan
Special Rate Variation (SRV)	A SRV will need to be applied for and granted by 2014/15. The proposed SRV is to increase general recurrent revenue (s508) for a period of seven years. It should be noted that this is separate to the 2012 (s508) SRV which can only be used for the key civic projects and therefore does not assist Council to provide ongoing services. Revenue generation opportunities	An SRV is still necessary to enable the Council to reach a sustainable financial position. The proposed SRV is for five rather than seven years averaging approximately 3.4% rather than 2% (as originally proposed). The rate application would be for aggregate increases commencing at 6.8% and reducing to 6.4% over the 5 years. This per annum increase is less than many neighbouring Council applications	Council will undertake extensive community consultation and apply for the SRV in 2014/15

One of the key strategies outlined is to achieve 5% budget savings annually for two years which has a cumulative impact of 10.25% and total savings of \$189.7 million over 10 years. The budget savings are to be accomplished through:

- service reductions
- service level variations
- market testing
- Sustainability Review savings not yet achieved
- Service Audit savings not yet achieved
- EFT reductions
- material costs reductions
- revenue options

The ISFA provides a detailed analysis of The City of Newcastle financial position prior to the establishment of this new Delivery Program. Following consideration of the serious financial challenges it was facing, Council adopted a series of principles upon which to frame its future budgets and ensure it remains solvent.

Budget Principles

2013-2017 Year Delivery Program, 2013/14 Operational Plan and 10 Year Financial Plan

1. Reduction in net operating expense of at least 10% over the next two years.
2. Achieve at least a 2.7% net overall funding surplus, in accordance with Fiscal Star recommendations to the Division of Local Government, by 2014/15. This is a minimum of \$8 million (in 2012/13 dollars).
3. Maintain a minimum of 2.7% net overall funding surplus for each and every budget year from 2015/16 until 2021/22.
4. Identify redundant assets for disposal and for the proceeds to be placed in the Land and Property Reserve.
5. The Land and Property Reserve to be used as a funding source for
 - Renewal of key assets identified and prioritised in the Infrastructure Backlog, and
 - Reduce/replace debt as an infrastructure backlog funding source.
6. To reduce The City of Newcastle's Infrastructure Backlog Ratio to less than 2% over the next 10 years or \$32 million (in 2012/2013 dollars).
7. To restrict debt levels so that the net financial liabilities ratio of 40% is not exceeded in any one year between 2013/14 and 2021/22.
8. That no project commences until funding for the full cost of the project is secured or has certainty.
9. The special projects capital be prioritised in accordance with community ranking from the Micromex Research 2011 Report and timing for delivery matched to cash flow. These priorities are set according to the support as follows:

Priority 1: Revitalising Hunter Street

Priority 2: Revitalising our Coast

Priority 3: Upgrading Blackbutt Reserve

Priority 4: Providing new cycle ways

Priority 5: Improving our swimming pools

Priority 6: Modernising our Libraries

Priority 7: Expanding our Art Gallery

10. The cash flow for special capital projects listed in (9) above be sourced from;
 - The 5% capital restricted Special Rate Levy awarded to Council in 2011
 - Section 94 funds and
 - Existing reserves.

11. A general purpose (S508A) rate variation be used only as a last resort to achieve financial sustainability and the associated targets above.

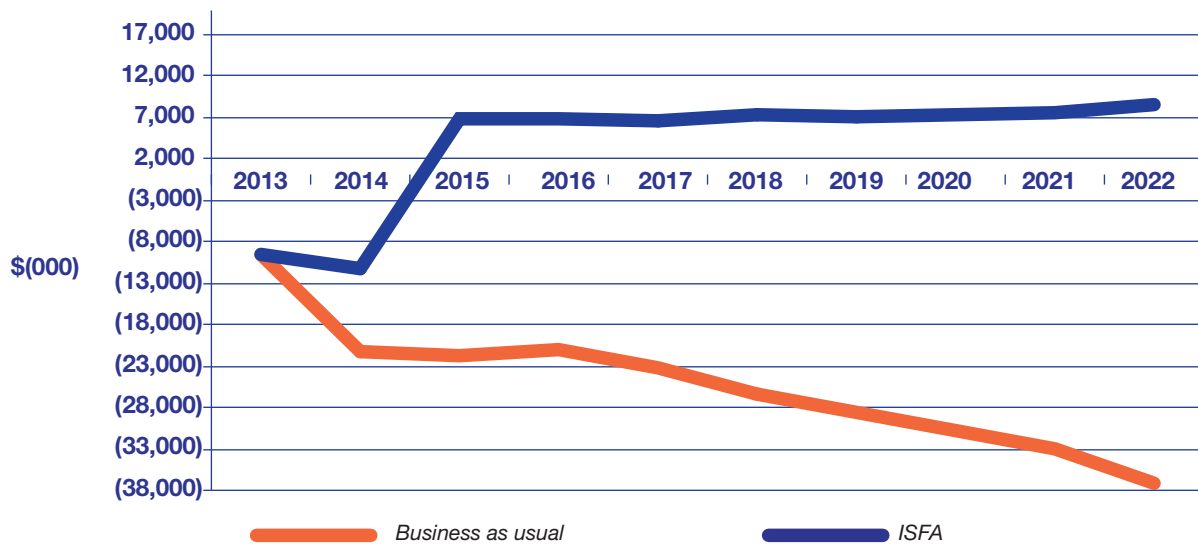
* *Note 1: The Infrastructure Backlog Ratio is calculated by dividing the value of the backlog by total infrastructure carrying value.

Forecast position including additional strategies and budget principles

When the above strategies and principles are added to the 10.25% service variations the result is shown in the forecast green line in Figure 2. This line shows a surplus forecast position over the 10 years as projected in the ISFA. With Council's endorsement of the ISFA, external advice, strategies and budget principles Council can set the direction to ensure that:

- Council can continue to trade sustainably
- Council addresses its declining infrastructure and continually delivers to the community prioritised major projects in an affordable way
- Council addresses its financial sustainability challenges
- Council targets a surplus of 2.7% (Note: minimum recommended by DLG/FiscalStar is 2.5%).

Figure 2: 10 year net overall funding surplus/(deficit)





Workforce Management Plan

The aim of the Workforce Management Plan is to ensure Council has planned its workforce for its foreseeable future (next four years) to meet the objectives of the Newcastle 2030 Community Strategic Plan. The Workforce Management Plan ensures we are able to sustain a suitably experienced and qualified workforce to deliver community expectations.

While the Workforce Management Plan initially focuses on the next four years, it is important to note that Workforce Planning is a continuous process of matching workforce requirements to organisational objectives as well as highlighting and forecasting the human resource implications when undertaking particular operational or strategic activities.

In developing the Workforce Management Plan consideration has been given to both internal and external factors that may affect Council’s ability to maintain its current and future workforce needs. These factors include the ageing population, identified skills shortages, past recruitment experience, Council’s financial position and also the expectations of the community. Council must ensure it has planned its workforce to deliver the priorities set in the 2013/2017 Delivery Program against the backdrop of achieving financial sustainability in the long term.

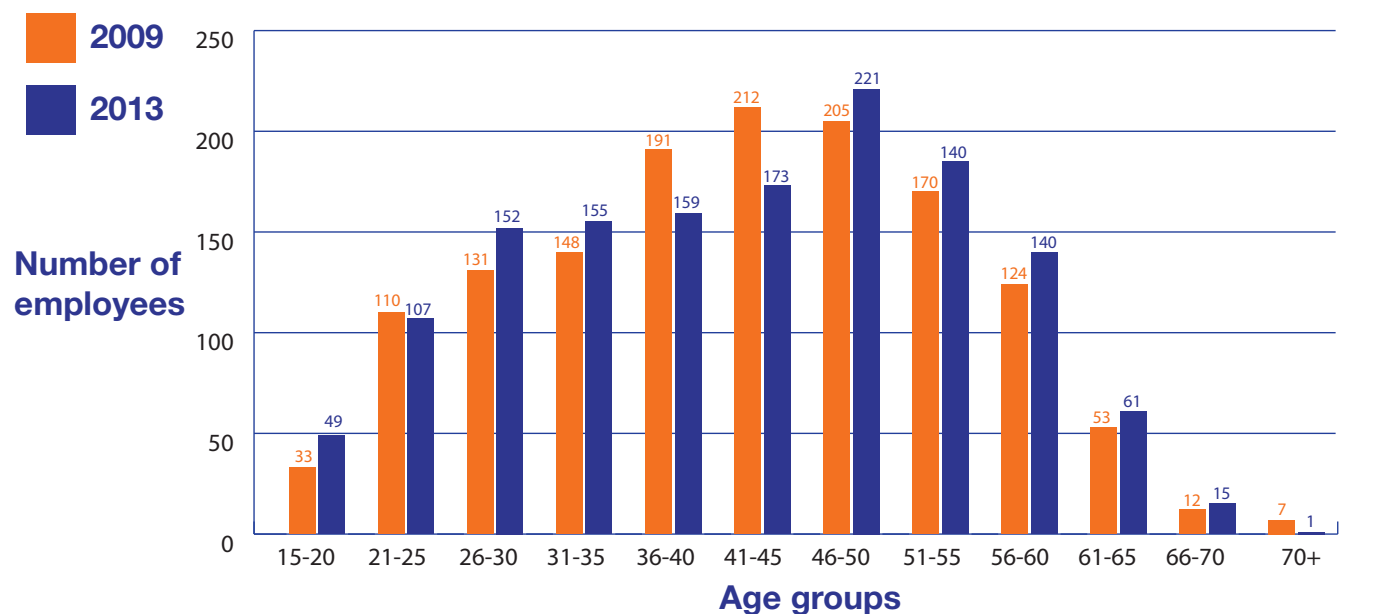
This Delivery Program outlines options to achieve 10% savings in operational expenditure over two years. Where this process results in organisational change that impacts on the ongoing employment of our employees Council is committed to:

- Providing the opportunities for reassignment and redeployment where possible
- Retention of skills and expertise for core services
- Consultation with employees affected by workplace change.

Maintaining current and future staffing levels is not an issue for some service units of Council, however others are impacted greatly by either an ageing workforce or difficulty in recruiting core professions into their teams eg engineers.

Of our current workforce 28% are aged 50 years or older and will likely exit over the next 15 years through retirement. 20% of the staff that are aged 50 years or older are in roles deemed as ‘hard to fill’, such as engineering. 14% of the workforce will also then move into the aged 50 years or older age bracket over the next five years.

Figure 3: Age demographics of The City of Newcastle staff 2009 to 2013



The current approved staff establishment is 935.0 equivalent full time (EFT) staff and proposed reductions to achieve 10% savings in operational expenditure over two years are shown in Table 5.2. Additionally, there are a further 163.3 temporary positions being utilised for project, grant funded and seasonal work.

Table 5.2: EFT (Equivalent Full Time) Staff Numbers

Directorate	EFT at July 2013	% EFT	Identified EFT Reductions	*Proposed EFT by June 2015	Service Units
Executive Management	24.8	2%	7	17.8	General Manager Lord Mayor Council and Legal Services
Corporate Services	161.9	16%	20.8	141.1	Finance Information Technology Commercial Property Human Resources Customer Services
Planning and Regulatory	241.53	24%	25.97	215.56	Development and Building Regulatory Services Libraries Strategic Planning Cultural Facilities
Infrastructure	588.87	58%	43.6	545.27	Civil Works Regulatory Services Infrastructure Planning Facilities and Recreation Waste Management
Total EFT	1017.1	100%	97.37	919.73	

The following key strategies have been identified as part of the Workforce Management Plan:

- Attracting and retaining talent – ensuring the right people are recruited and retained in the right positions
- Investing in the capabilities of our people – ensuring people have the skills to deliver what is required of them
- Planning for our future workforce needs – ensuring the organisation has a suitable future built around having the right people in the right roles with the right skills
- Facilitating a culture of cooperation, respect, excellence and wellbeing – ensuring a values-based organisation that drives performance.

Asset Management Strategy

Asset Management Policy

A revised Asset Management Policy was adopted by Council on 7 August 2012.

The Policy sets out the purpose of Asset Management Strategy (AMS) and associated Asset Management Plans (AMP). These are to:

- Meet community needs and expectations for all assets and management of these assets
- Provide greater transparency in asset planning, enabling informed input from all stakeholders
- Implement continuous improvement practices in asset management
- Determine appropriate service levels for assets to maximise the use of resources
- Manage risk to people and property
- Comply with state and federal legislation pertaining to assets; and
- Protect and enhance the environment for the future.

Snapshot of current asset profile

The City of Newcastle currently manages an asset portfolio of \$1.6 billion, delivering services across eight asset classes.

Art Gallery Collection	6,100 Objects in the permanent collection 94 Objects in the study collection	Transport	264 Bridges <ul style="list-style-type: none"> • 35 Major bridges • 19 Minor bridges • 35 Major culverts • 98 Minor culverts 1 Tunnel 4 Underpasses 2 Weighbridges 124 Transport shelters 913 km Footpaths (including 59km of shared path) 1,339 km Kerb and gutter 810 km Roads
Buildings and Structures	68 Council operational buildings 64 Toilet blocks 236 Sporting facilities 41 Cultural buildings/libraries 23 Council structures ie wharves 26 Community halls and facilities 8 Commercial buildings 21 Accommodation facilities eg aged care 20 Community facilities 81 Bus shelters 1 Parking station	Parks and Recreation	115 Playgrounds 18 km Retaining walls 589 Garden beds 146 Sportsfields
Museum Collection	10,124 Accessioned collection 8,123 Non-accessioned collection 38 Inward loan objects 526 Intangible heritage collections	Natural Assets	67.33 lineal km Watercourses 105,299 Urban trees 212.7 hectares Wetlands 507 hectares Bushland 3.1 km Escarpments 10.1 km Sea and river walls
Library Collection	369,300 General collection 46,438 Local studies collection		
Stormwater Drainage	18,862 Pits 423 km Pipes 16 km Culverts 237 Stormwater quality improvement devices		

Key issues

Council has \$1.6 billion of infrastructure, property, plant equipment and investment property on its balance sheet. Of this \$117.3 million is in backlog. If Council continues without addressing the backlog it will be \$475.1 million in 15 years.

The Information Technology (IT) systems in place to manage this backlog are also a key issue for Council with the management and interrogation of data part of a package of reforms required through the new Enterprise Resource Planning (ERP) project to better manage the asset base.

The capability for existing asset renewal is also a key issue for Council with current resourcing and skills shortages.

Key strategies

Council has developed its key strategies for asset management:

- The development and implementation of a Corporate Asset Management system for all asset classes
- The development and implementation of a single source of truth asset management register
- Identification and reuse of recycled materials
- Complete service level reviews for core asset classes of Roads, Parks and Recreation, and Buildings and Structures over the next four years, in consultation with the community, including functionality and capacity.
- Rate assets in accordance with required levels of service
- Undertake condition based programmed inspections
- Remove duplications in asset register
- Develop four year program for capital works.

These key strategies will form a four year action plan to improve asset management within The City of Newcastle.

Table 5.3: Asset Costs

Asset Class	Predicted	Maintenance	Renewal	Total	Current Replacement Cost	Depreciable Amount	Sustainability Ratio
Art Gallery	Lifecycle	\$25,000	\$162,600		\$64,610,281	N/A	
	1 year	\$25,000	\$162,000				
Buildings and Structures	Lifecycle	\$4,930,690	\$3,988,175	\$8,918,865	\$468,972,940	\$422,075,646	1.07
	10 Year	\$4,930,690	\$1,700,336	\$6,631,026			1.44
	3 year average	\$4,930,690	\$6,465,761	\$11,396,450			
	1 year	\$4,671,083	\$4,873,036	\$9,544,120			
Library collection	Lifecycle	\$1,260,000	\$1,300,000	\$2,560,000	\$19,463,000	\$13,412,000	0.85
	1 year	\$1,260,000	\$1,100,000				
Museum Collection	Lifecycle	\$20,000	\$26,000				
	1 year	\$25,000	\$21,000	\$46,000			
Natural Assets	Lifecycle	\$2,104,865	\$4,386,471	\$6,491,336	\$352,583,793	\$340,066,831	0.69
	10 Year	\$2,104,865	\$4,943,293	\$7,048,158			0.64
	4 year average	\$1,345,484	\$1,197,890	\$2,543,374			
	1 year	\$2,104,865	\$2,402,574	\$4,507,439			
Parks and Recreation	Lifecycle	\$7,454,660	\$3,058,925	\$10,513,585	\$130,298,602	\$130,298,602	0.79
	10 Year	\$7,454,660	\$5,722,026	\$13,176,686			0.66
	5 year average	\$8,772,297	\$788,284	\$9,560,581			
	1 year	\$7,520,108	\$623,347	\$8,143,455			
Stormwater Drainage	Lifecycle	\$779,952	\$3,236,838	\$4,016,790	\$352,464,007	\$297,995,794	0.39
	10 Year	\$779,952	\$2,655,694	\$3,435,646			0.46
	5 year average	\$779,952	\$880,061	\$1,660,013			
	1 year	\$773,016	\$793,973	\$1,566,989			
Transport	Lifecycle	\$7,731,970	\$17,029,041	\$24,761,011	\$1,130,420,000	\$1,130,420,000	0.7
	10 Year	\$7,731,970	\$16,035,268	\$23,767,238			0.73
	5 year average	\$7,731,970	\$8,948,924	\$16,680,894			
	1 year	\$7,480,069	\$9,764,870	\$17,244,939			

Note: The above table represents average trends based on historical actual expenditure.

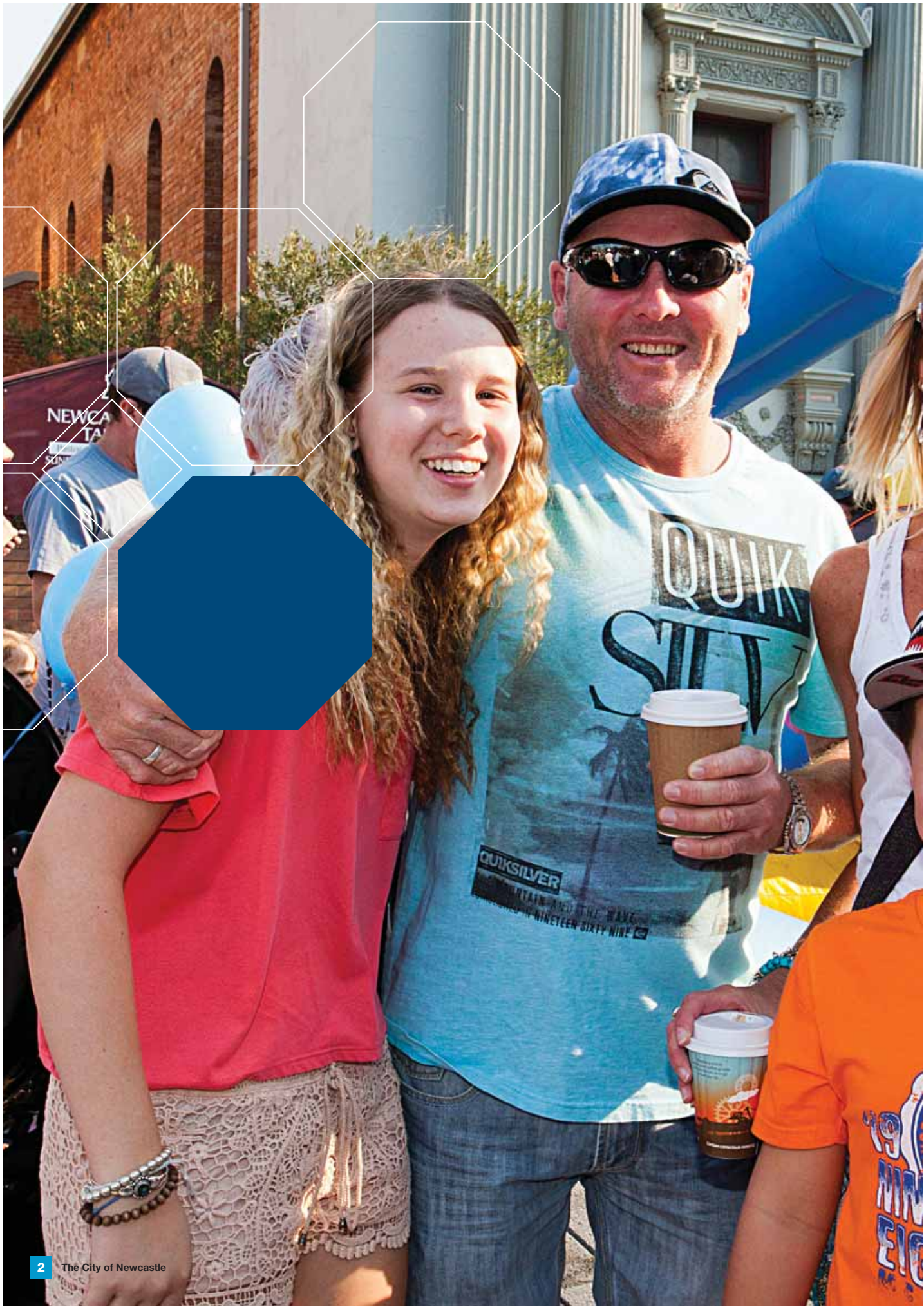
The City of Newcastle Operational Plan

2014/15



www.newcastle.nsw.gov.au







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Overview

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



About the operational plan

The Operational Plan supports our Delivery Program 2013-17. It outlines in more detail the actions that Council will undertake in 2014/15 financial year and allocate the resources necessary.

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

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

Organisational structure



General Manager

Ken Gouldthorp

Executive

Lord Mayor's office

General Managers office

Council and Legal Services

Business improvement

Internal audit

Access to information

Director

Planning and Regulatory

Development and Building

Strategic Planning

Regulatory Services

Cultural Facilities

Libraries

Director

Corporate Services

Finance

Information Technology

Human Resources

Commercial Property

Customer Services

Director

Infrastructure

Infrastructure Planning

Civil Works

Projects and Contracts

Facilities and Recreation

Waste Management

Financial overview

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

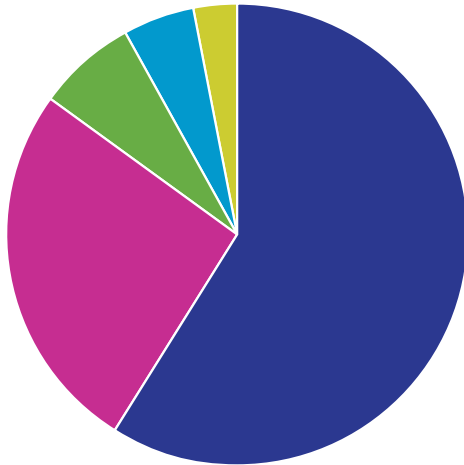
The 2014/15 budget presented in this report has been developed through a rigorous process of consultation and review with Council and staff. It is Council's opinion that the budget is financially responsible and contributes to the achievement of the Delivery Program and Operational Plan strategic objectives.

The operating deficit is projected to be smaller than that for 2013/14 due primarily to lower employee costs and less than the deficit in the Long Term Financial Plan/Delivery Program for 2014/15 due to the accelerated organisational restructuring and lower depreciation costs.

Council's deficit of \$11.9 million will result in capital works being funded through a net use of reserves and asset sales, diminishing these for the future. While these initiatives will reduce Council's recurrent expenditure into the future, it is still not enough to ensure long term financial sustainability.

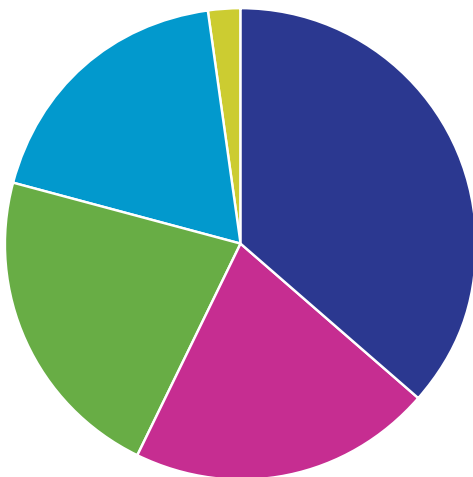
The total capital expenditure program will be \$54.6 million, of which \$24.5 million relates to asset renewal, \$18.9 million to new assets and \$11.2 million to Special Rate Variation projects. Of the \$54.6 million of capital funding required, \$40.7 million (including \$35.8 million from restricted assets and unexpended loans) will come from Council operations, \$7.2 million from asset sales and \$6.7 million from external grants. The capital expenditure program has been set and prioritised based on funds available within our current budget environment.

The 2014/15 budget has been prepared on the basis of constraint. Council will continue to review all services and capital infrastructure to ensure it is positioned to best meet the needs of the community into the future.



Source of funds 2014/15

Source of funds	%	2014/15 \$
Rates and charges	59	126,596
User charges and fees	25	53,539
Grants and contributions	8	17,967
Other operating revenues	5	11,132
Interest	3	6,735
	100	215,969



Use of funds 2014/15

Use of funds	%	2014/15 \$
Employee costs	40	91,155
Depreciation	21	46,928
Materials and contracts	19	50,671
Other operating expenses	19	35,127
Borrowing costs	2	3,959
	100	227,840

Net operating budget deficit	(11,871)
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Corporate goals

No.	Objective	KPI	Measure
CG1	Deliver on the key civic projects determined as the priorities for the community	Key civic projects 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
CG2	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
CG3	Maintain a net operating surplus to ensure financial sustainability	Improve financial sustainability of Council	Net operating surplus ratio of 2.5%
CG4	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
CG5	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
CG6	Renew and maintain assets within a sustainable range	Annual renewal ratio	Target Range --10% / 10%
CG7	Identify opportunities for asset rationalisation to fund the infrastructure backlog	Unfunded infrastructure backlog: infrastructure backlog (\$ million) – internally available infrastructure funding (\$ million) = unfunded infrastructure backlog	To reduce the infrastructure backlog ratio to less than 2% over the next 10 years
CG8	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

Budget Principles (commencing 2013/14)	
1	Reduction in net operating expenses of at least 10% over the next two years.
2	Achieve at least a 2.7% net overall funding surplus, in accordance with FiscalStar recommendations to the Division of Local Government, by 2014/15. This is a minimum of \$8 million (in 2012/2013 dollars)
3	Maintain a minimum of 2.7% net overall funding surplus for each and every budget year from 2015/16 until 2021/22.
4	Identify redundant assets for disposal and for the proceeds to be placed in the Land and Property Reserve.
5	The Land and Property Reserve to be used as a funding source for: - renewal of key assets identified and prioritised in the Infrastructure Backlog, and - reduce/replace debt as an infrastructure backlog funding source.
6	To reduce The City of Newcastle's infrastructure backlog ratio to less than 2% over the next 10 years or \$32 million (in 2012/2013 dollars). *Note 1
7	To restrict debt levels so that the net financial liabilities ratio of 40% is not exceeded in any one year between 2013/14 and 2021/22.
8	That no project commences until funding for the full cost of the project is secured or has certainty.
9	The special projects capital to be prioritised in accordance with community ranking from the Micromex Research 2011 Report and timing for delivery matched to cash flow. These priorities are set according to the support as follows: Priority 1: Revitalising Hunter Street Priority 2: Revitalising our coast Priority 3: Upgrading Blackbutt Reserve Priority 4: Providing new cycle ways Priority 5: Improving our swimming Pools Priority 6: Modernising our libraries Priority 7: Expanding our Art Gallery
10	The cash flow for special capital projects listed in item nine above be sourced from: a) the 5% capital restricted Special Rate Levy awarded to Council in 2012 b) section 94 funds and c) existing reserves.
11	A general purpose (s508A) rate variation to be used only as a last resort to achieve financial sustainability and the associated targets above.

Strategic directions and objectives

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

Our four-year Delivery Program and one-year Operational Plan identify the major projects, programs and services we are undertaking to help achieve the shared vision for Newcastle. Key actions and projects for 2014/15 are listed below and are included in the Business unit plans.

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

Four major civic projects

Projects	Connected city	Protected and enhanced environment	Vibrant and activated public places	Caring and inclusive community	Liveable and distinctive built environment	Smart and innovative city	Open and collaborative leadership
Hunter Street revitalisation	✓		✓		✓	✓	✓
Coastal revitalisation	✓	✓	✓	✓	✓	✓	✓
Blackbutt Reserve		✓	✓	✓	✓	✓	✓
Cycle ways Program	✓	✓		✓	✓		✓

Alignment of business units to community priorities

Projects	Connected city	Protected and enhanced environment	Vibrant and activated public places	Caring and inclusive community	Liveable and distinctive built environment	Smart and innovative city	Open and collaborative leadership
Civil Works	✓	✓	✓		✓		✓
Commercial Property			✓		✓	✓	✓
Council and Legal Services							✓
Cultural Facilities	✓	✓	✓	✓	✓	✓	
Customer Service				✓			✓
Development and Building	✓	✓	✓		✓	✓	
Facilities and Recreation	✓	✓	✓	✓	✓		
Finance							✓
Human Resources							✓
Information Technology						✓	✓
Infrastructure Planning	✓	✓	✓		✓		
Libraries	✓		✓	✓		✓	
Projects and Contracts	✓	✓	✓	✓	✓	✓	✓
Regulatory Services	✓	✓		✓			✓
Strategic Planning	✓		✓	✓	✓	✓	✓
Waste Management		✓				✓	

1. Connected city

In 2030 our transport networks and services will be well connected and convenient. Walking, cycling and public transport will be viable options for getting around the city.

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

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

Key actions and projects	Responsibility
Develop and 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	Infrastructure Planning
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 City of Newcastle Cycling Action Strategy and Plan through the Cycle ways program	Facilities and Recreation
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 Infrastructure Planning
Participate and provide input through the project working group to the Newcastle Light Rail project	Strategic Planning
Manage Council's off street multilevel 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 Council's adopted revised parking strategy	Regulatory Services
Undertake the approved program of local traffic studies, including development of plan, community consultation, reporting to NCTC and Council	Infrastructure Planning
Liaise with Roads and Maritime Services on new developments with the state road network	Infrastructure Planning
Improve rideability of road network	Infrastructure Planning

2. Protected and enhanced environment

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

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

2.1 Greater efficiency in the use of resources

2.2 Our unique natural environment is maintained, enhanced and connected

2.3 Environment and climate change risks and impacts are understood and managed.

Key actions and projects	Responsibility
Flood road signage in consultation with the SES and RMS, background study to identify priority locations for the installation of passive and active road signage, consider the existing signage network and potential Ongoing maintenance and installation demands. Signs installed. Dependant on background study, the status and extent of the existing flood signage network that may need replacing or amending, and cost	Infrastructure Planning
Morgan - Selwyn Street Merewether Floodway Study - 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	Civil Works
Community education at environment rehabilitation worksites - Build stronger working relationships between residents and Council through increased community awareness of the role and value of environmental assets through understanding and participating in Council's asset management on ground activities	Waste Management
Pro-actively 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 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

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
City Hall tower façade restoration	Projects and Contracts
Design, develop and present public education programs at the Newcastle Art Gallery for general and specialised audiences represented in the Newcastle LGA. These will link to both the exhibition program and collections and are educational, 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 review 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 the Hunter Street Revitalisation project	Infrastructure Planning and Contracts
Implement recommendations outlined within the Parkland and Recreational Strategy across the city	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
Strengthen 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 Newcastle	Strategic Planning
Implement the recommendation from the Coastal Plan of Management	Infrastructure 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, Cultural Facilities and Strategic Planning
Implement Exhibition Program including a range of community partnerships. This year we partnered with YWCA to present the She exhibition which had 5000 visitors and five support organisations	Libraries
Implement various programs for libraries; children's book week, author program, 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

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 project	Responsibility
Implementation of the Merewether Baths restoration	Projects and Contracts
Implementation of Henderson Park Community Hall renewal	Facilities and Recreation
Facilitate Youth Week (partially externally funded)	Strategic Planning
Facilitate Seniors Week (externally funded)	Strategic Planning
Prepare and deliver Past Present Future: Newcastle Aboriginal Youth Arts program consistent with grant funding (externally funded)	Strategic Planning
Develop and implement a range of cultural development programs that focus on capacity building, networking and supporting the creative industries in Newcastle	Strategic Planning
Facilitate Guraki and Aboriginal Advisory Committee (Strategic Advisory Committee)	Strategic Planning
Facilitate Youth Advisory Committee (Strategic Advisory Committee)	
Complete a review of child care centres and early childhood centres and 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 audit on health services	Regulatory Services
Participate in Hunter Region Health Education Committee (HRHEC)	Regulatory Services
Actively encourage use of open spaces through junior ranger programs at Blackbutt, community planting days and volunteer groups	Facilities and Recreation
Collect and preserve materials relating to the history of Newcastle	Libraries
Acquire new works by artists for exhibitions and the Newcastle Art Gallery collection	Cultural Facilities
Position and promote City Hall as a multi-use venue with diverse hiring potential for local, regional and national clients	Cultural Facilities
Develop and manage a diverse program of exhibitions annually to showcase local, national and international products	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
Implement the Newcastle Community Sector Development Project 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 project	Responsibility
Prepare and implement Various buildings fire assessments	Facilities and Recreation
Assess hazardous materials in Various buildings across the city	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	Infrastructure Planning Civil Works
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
Deliver 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 development contributions applicable for mines subsidence grouting work	Strategic Planning
Prepare and implement a community safety strategy	Strategic Planning

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
Stockton Beach Holiday Park Improvements - Stage 3 - Implementation of the current SBHP "Sustainable Improvement Strategy MasterPlan" which proposes the replacement of the ageing camp kitchen on site. Funding for this project is to be from the SBHP Reserve as well as State Government sourced PRMF low interest loans	Projects and Contracts
Social media development	Customer Service
Branding project and marketing	Customer Service
Identify opportunities to partner with community and industry groups to facilitate economic development outcomes	Strategic Planning
Introduce Night Markets in the city centre and manage day markets	Strategic Planning
Identify opportunities to partner with other community and industry groups to deliver activation and development projects	Strategic Planning
Transition LEP and DCP into the new Planning legislation	Strategic Planning
Delivery of energy efficiency projects under the federally funded smart buildings, smart workforce program	Projects and Contracts
Develop a Visitor Economy Masterplan for the CBD	Strategic Planning
Promote the location for 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 exhibition centre project	Strategic Planning
Deliver regular events - Anzac Day 2015 Centenary; Carols by Candlelight; Christmas in the City; Australia Day National Maritime Festival and New Years Eve – review events, delivery, outsourcing, budgets and growth opportunities	Strategic Planning
AFC Asian Cup 2015: Deliver contractual obligations and develop City wide approach to event delivery for Newcastle. Support marketing and volunteer program, deliver Fanzone and identify legacy opportunities	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 The City of Newcastle: a local government organisation of excellence.

Key actions and projects	Responsibility
The Enterprise Resource Planning project will implement a solution for Council's 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 Council's budget allocations and funding alternatives are compliant with Council policy and relevant legislation to ensure the long term financial sustainability of the organisation	Finance
Implement the initiatives from the Workforce Management Plan including, the Aboriginal Employment Strategy and the Equal Employment Opportunity Management Plan	Human Resources
Establish a Leadership Development Framework that incorporates Cultural Change (People and Safety) and Performance Management to deliver a consistent leadership approach across Council	Human Resources
Identify redundant assets for disposal and for the proceeds to be placed in the land and property 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), Australian Property Council (APC), Urban Development Institute of Australia (UDIA), Hunter Development Corp (HDC), Regional Development Australia (RDA), Hunter Net and Newcastle Port Corp.	Strategic Planning
Promote the Williamstown Aerospace Centre (WAC) in conjunction with PSC, NAL, and other stakeholders in defence industry	Strategic Planning

Budget analysis

This section of the report analyses the planned operational income and expenditure budget for the 2014/15 year.

1.1 Budgeted income statement

Income Types	Ref	Adopted Budget 2013/14 \$,000	Draft Budget 2014/15 \$,000	Variance \$,000
Total Income	1.2	205,634	215,969	10,335
Total Expenses	1.3	235,546	227,840	(7,706)
Operating Surplus (Deficit) for the year		(29,912)	(11,871)	18,041

1.1.1 Operating Surplus/Deficit (\$11.9 million)

The deficit is a measure of financial sustainability. The underlying result budgeted for the 2014/15 year is a deficit of \$11.9 million which is an improvement of \$18 million from 2013/14. The 2014/15 Draft budget result includes cost reductions, forecast employee related separation costs, additional income generation and internal efficiencies. These initiatives are expected to form part of Council's Ongoing financial sustainability which in turn will drive further benefit to Council's forecast surplus operating result.

1.2 Income

Income Types	Ref	Adopted Budget 2013/14 \$,000	Adopted Budget 2014/15 \$,000	Variance \$,000
Rates and annual charges	1.2.1	123,045	126,596	3,551
User charges and fees	1.2.2	46,947	53,539	6,592
Interest	1.2.3	6,858	6,735	(123)
Other operating revenues	1.2.4	12,394	11,132	(1,262)
Grants and contributions - Operating	1.2.5	16,390	17,967	1,577
Total Income		205,634	215,969	10,335

1.2.1 Rates and annual charges (\$3.5 million increase)

It is proposed that net ordinary rates and charges income will increase by a total of 2.3% or \$3.5 million over the total rate income for 2013/14, to \$126.6 million. Of this increase \$3.5 million will be achieved through net ordinary rates, supplementary rates, special rate variation and the domestic waste management service charge.

1.2.2 User charges and fees (\$6.6 million increase)

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. These include waste tipping services, animal fees, use of leisure, entertainment and other community facilities. The increase of \$6.6 million in total fees and charges expected from 2013/14 to 2014/15 is primarily due to an increase in landfill gate fees at the Waste Management.

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

1.2.3 Interest (0.1 million decrease)

Interest income includes interest on investments. Interest on investments is forecast to remain steady compared to 2013/14.

1.2.4 Other operating income (\$1.3 million decrease)

Other income relates to a range of items such as property rental/leases, private works, cost recoupment and other miscellaneous income items. It also includes interest income on rate arrears.

Other operating income had been adjusted to exclude revenue from internal charges.

1.2.5 Grants and contributions - operating (\$1.6 million increase)

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.

1.3 Expenditure

Expenditure Types	Ref	Adopted Budget 2013/14 \$,000	Recalibrated Budget* 2013/14 \$,000	Draft Budget 2014/15 \$,000	Variance \$,000
Employee costs	1.3.1	88,978	98,457	91,155	7,302
Borrowing costs	1.3.2	4,220	4,220	3,959	(261)
Materials and contracts	1.3.3	50,378	48,284	50,671	(2,387)
Depreciation and amortisation	1.3.4	55,609	55,609	46,928	8,681
Other operating expenses	1.3.5	36,361	28,976	35,127	(6,151)
Total Expenditure		235,546	235,546	227,840	(7,706)

Recalibration of Expenses of Adopted Budget 2013/14 to enable comparison

Council has recalibrated the Adopted Budget for 2013/14 to reflect a more accurate view of Council expenses. This enables a clearer comparison with the Draft Budget for 2014/15. It will be possible for Council to track these expenses more accurately in 2014/15 with the implementation of a new ERP system which includes a new Finance module.

1.3.1 Employee costs (\$7.3 million decrease)

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

Employee costs are forecast to decrease by \$7.3 million compared to 2013/14. This decrease relates to reduced salary costs and forecast employee related separation costs as a result of Council reviewing its capacity to deliver its services.

1.3.2 Borrowing costs (\$0.2 million decrease)

Borrowing costs relate to interest charged by financial institutions on borrowed funds. The City of Newcastle has no further borrowings planned and expects borrowing costs to remain steady.

1.3.3 Materials and contracts (\$2.4 million increase)

There is a moderate increase in Materials and contracts in the adjusted numbers. This reflects a marginal increase after inflationary factors are considered. The Materials and contracts expense includes approximately \$4.5 million of Major Assets Preservation Program's works which have been classified as operational in nature.

1.3.4 Depreciation and amortisation (\$8.7 million decrease)

Depreciation relates to the usage of Council's property, plant and equipment including infrastructure assets such as roads and drains. Depreciation adjustment might be temporary if 2015/16 asset revaluation exercise has a similar outcome to 2010.

1.3.5 Other operating expenses (\$6.2 million Increase)

The primary expense in this expense category is the NSW Government Waste levy. The increase in the waste levy is due to both an increase in the amount of waste being processed by the Summerhill facility and a significant increase in the waste levy charge per tonne. The charge will increase by \$10 plus CPI per tonne which corresponds to an increase of approximately 12%. Other operating expenses would decrease if the waste related costs are excluded, these increased by \$8 million.

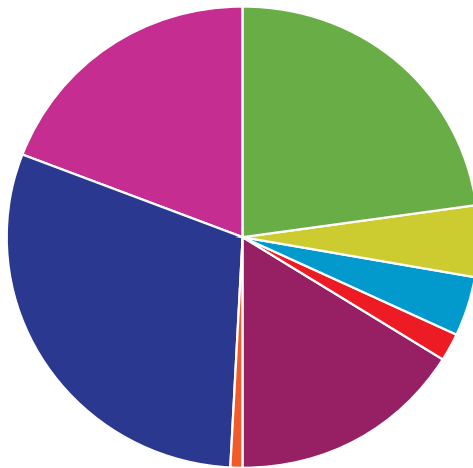
Capital analysis

This section of the report analyses the planned capital expenditure budget for the 2014/15 year and the sources of funding for the budget.

2.1 Capital works

Capital Work Areas	Ref	Draft Budget 14/15
Represented by		
Asset renewal	2.1.12	24,505
New assets	2.1.12	19,239
Special rate variation (SRV)	2.1.11	11,245
Total capital works		54,989
Capital works program		
Asset renewal		
Buildings and structures	2.1.1	12,975
Drainage	2.1.2	3,540
Natural	2.1.3	1,525
Coastal and estuary	2.1.4	1,650
Transport	2.1.5	-
- Roads		8,135
- Footpaths		1,305
- Roadside furniture		970
Total MAPPS		30,000
Less non capital – maintenance, data etc	2.1.9	(5,495)
Total assets renewal		24,505
New asset		
Library	2.1.6	799
Art Gallery	2.1.7	80
Corporate projects	2.1.10	12,514
Minor capital	2.1.10	65
IT hardware	2.1.10	560
Fleet replacement program	2.1.10	5,221
Total New Asset		19,239
Special Rate Variation (SRV)		
Special rate variation projects	2.1.11	11,245
Total SRV		11,245
Total capital works		54,989

Budgeted Capital Program 2014/15



Asset type	%
Buildings and Structures	21%
Drainage	4%
Natural	3%
Coastal and Estuary	2%
Transport	14%
Library	1%
Art Gallery	0%
Corporate Projects *	33%
Special Rate Variation Projects	21%

Corporate projects includes Minor capital, IT and Fleet Replacement.

2.1.1 Buildings and structures (\$12.98 million)

Buildings and Structures includes all community, cultural, operational buildings and accommodation, pools, shade shelters and sporting facilities. Major items of capital work budgeted for 2014/15 include City Hall, King Street Car Park, Henderson Park Community Hall and Merewether baths.

2.1.2 Drainage (\$3.54 million)

Drainage refers to stormwater drainage, pits, pipes, culverts, stormwater quality improvement devices and headwalls.

2.1.3 Natural (\$1.5 million)

Natural assets are watercourses, bushland, wetlands, urban trees, cliff lines – inland and coastal, river and sea walls. The major item budgeted for 2014/15 is the street and park tree replacement program.

2.1.4 Coastal and estuary (\$1.6 million)

Coastal and Estuary program includes coastal cliff stabilisation, Foreshore revegetation, dune preservation and sediment control.

2.1.5 Transport (\$8.1 million)

Transport capital expenditure includes all roads, bridges, tunnels, culverts, footpaths, bus shelters, cycle ways, kerb and guttering. \$7.225 million of the transport budget is to be spent on roads in 2014/15.

2.1.6 Library (\$0.8 million)

Library includes capital expenditure on general collections and the local studies collection. The cost budgeted for 2014/15 is consistent with past years.

2.1.7 Art Gallery (\$0.1 million)

For the 2014/15 year \$0.1 million is budgeted to be expended on artwork acquisitions.

2.1.8 Museum (nil)

There has been no capital budget set aside for Museum expenditure in the year 2014/15.

2.1.9 Maintenance (\$5.5 million)

Maintenance refers to work on Council's assets that cannot be capitalised. This category also includes works for asset databases, community education programs and program support.

2.1.10 Corporate projects and other capital (\$18.4 million)

Corporate projects are major initiatives and projects of a capital nature. Major items budgeted to be undertaken in the 2014/15 year include improvements to Stockton Beach Tourist Park, improved athletic track facilities, improved accessibility, mobility and linkages around National Park and pathway maintenance.

2.1.11 Special rate variation projects (\$11.3 million)

There was a special rate variation approved in the financial 2012/2013 of 5% in addition to the IPART rate cap. The rate money raised from the special rate was set aside to be used in conjunction with Council reserves and grant money on eight key civic projects.

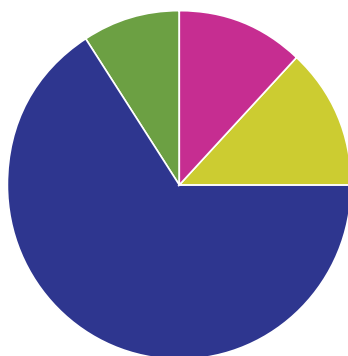
The 2014/15 budget includes capital expenditure on two of the key projects. They are coastal revitalisation and Hunter Street revitalisation.

2.1.12 Asset renewal (\$24.5 million)/new assets (\$19.2 million)/SRV (\$11.2 million)

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

2.2 Capital funding

Capital funding sources	Ref	Draft Budget 14/15
External funding sources		
Grants and contributions - capital	2.2.1	6,810
Proceeds on sale of assets	2.2.2	7,171
Total external funding		13,981
Internal funding sources		
Restricted assets	2.2.3	35,876
General funds	2.2.4	5,132
Total internal funding		40,766
Total capital funding		54,989



Budgeted Funding Source 2014/15	%
Grants and contributions - Capital	12
Proceeds on Sale of Assets	13
Restricted Assets	66
General Funds	9
Total	100

Figure 10.3: shows the % by funding source

2.2.1 Grants and contributions - capital (\$6.8 million)

Capital grants and contributions include all monies received from State, Federal and community sources for the purposes of funding the capital works program. Significant grants and contributions budgeted to be received for the year 2014/15 includes the local roads component of the Financial Assistance Grant and the Roads to Recovery Grant.

2.2.2 Proceeds on sale of assets (\$7.1 million)

Proceeds from sale of assets according to the asset schedule.

2.2.3 Restricted assets (\$35.9 million)

The funding from restricted assets and unexpended loans refers to the draw-down on funds previously restricted for specific purposes.

2.2.4 General fund (\$5.1 million)

During the year Council generates cash from its operating activities, which is used as a funding source for the capital works program. It is forecast that \$5 million will be generated from operations to fund the 2014/15 capital works program.

Revenue Policy

Statement of business activities

Council manages the following Category one businesses as defined by the *Local Government Act 1993* as having income in excess of \$2 million. For further information on Council's Category 1 businesses, please refer to the Statutory Report appended to Council's 2012/2013 Annual Report at www.newcastle.nsw.gov.au search for *annual report*.

Waste Management	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.
Waste management collection services	Council provides a weekly domestic and commercial waste collection service, provision of weekly 'drop-off' centres for the collection of green waste, 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.
Civic Theatre/ The Playhouse	<p>Civic Theatre and The Playhouse present cultural, social and community events and live performances generating income from ticket sales and/or facility hire fees.</p> <p>Community based and not-for-profit organisations are supported through discounted facility hire fees. The venues promote a program of performing arts featuring original local, Australian and international productions.</p>

Statement of fees and charges

Under Section 608 of the *Local Government Act 1993*, 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 services in connection with the exercise of Council's regulatory function (e.g. Applications, inspections, certificates)
- allowing admission to buildings.
- Fees and Charges made under Section 608 of the Act are classified according to the following pricing basis.

Full Cost Recovery (F)	Council recovers all direct and indirect costs of the service (including depreciation of assets employed).
Partial Cost Recover (P)	Council recovers less than the Full Cost. The reasons for this may include community service obligations, priorities legislative limits.
Statutory Requirements (S)	Price of the service is determined by Legislation.
Market Pricing (M)	The price of the service is determined by examining alternative prices of surrounding service providers.
Zero Cost (Z)	Some services may be provided free of charge and the whole cost determined as a community service obligation.
Rate of Return (R)	This would include Full Cost Recovery as defined above in addition to a profit margin to factor in a return to Council for assets employed. Council's policy for determining fees to be charged is that all Council fees and charges not subject to statutory control are to be reviewed on an annual basis, prior to finalisation of the annual operating budget.

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

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

All fees and charges not included in the Division 81 GST free schedule will attract the GST at the current rate of 10%. The 2014/15 to 2017/2018 Fees and Charges document is bound as a separate report.

Established categories for reduction or waiving of fees

Section 610E of the *Local Government Act 1993* 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:

Category one – financial hardship	<p>Council may reduce or waive fees in cases where the applicant provides evidence that the payment of the fee will impose significant financial hardship.</p> <p>In determining eligibility on the basis of significant hardship, Council will:</p> <ol style="list-style-type: none"> 1. Apply the criteria used by the Department of Human Services (Centrelink); and 2. Require the applicant to provide reasonable proof of financial hardship which may include details of assets, income and living expenses, and such other information required to make a valid assessment
Category two – charity	<p>Council may reduce or waive fees in where the applicant is a registered charity and the fee is for a service that will enable the provision of charitable services to The City of Newcastle community</p>
Category three – not for profit	<p>Council may reduce or waive fees in where the applicant is a registered not-for-profit organisation and the fee is for a service that will enable the provision of charitable services to The City of Newcastle community</p>
Category four – illness or death (library overdue charges only)	<p>Council may reduce or waive fees in cases where the applicant provides evidence that the overdue charge was incurred because of:</p> <ol style="list-style-type: none"> 1. Serious illness of a customer or the customer's immediate family member; 2. Serious accident involving the customer or the customer's immediate family member; 3. Death of a customer or the customer's immediate family member; and <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"> 1. Medical certificate; or 2. Statutory declaration.
Category five – commercial clients	<p>Council may reduce or waive fees to compete in the commercial market where:</p> <ol style="list-style-type: none"> 1. The price of the service is determined by examining alternative prices of surrounding service providers 2. It is in the best interest of Council.

Application and assessment

For the waiving or reduction of fees, applicants must apply to Council in writing (using Council's standard form).

Council Officers with delegated authority will assess and make determinations on requests for the waiver or reduction of fees in accordance with the following principles:

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

Equitable pricing methodology

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

Proposed loans borrowing program

Council's loan liability as at 30 June 2014 will amount to \$64 million. Council advises that there has been no further loan borrowings budgeted in the 2013/14 – 2016/2017 Delivery Program.

Charges for work on private land

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

Asset rationalisation and property asset disposal

Council has been collaborated to produce a framework and set of criteria by which The City of Newcastle property assets can be assessed to test their ultimate requirement. Redundant assets will be placed into a rationalisation process of value adding and eventual sale. This process is known as the Asset Review and Implementation Plan (ARIP).

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

The ARIP's intention is to generate \$66.4 million as identified in the 10-year ISFA. In accordance with the adopted budget principles presented to Council on 18 April 2013 the following has been endorsed:

Identify redundant assets for disposal and for the proceeds to be placed in the Land and Property Reserve.

- The Land and Property Reserve to be used as a funding source for
 - Renewal of key assets identified and prioritised in the Infrastructure Backlog, and
 - Reduce/replace debt as an infrastructure backlog funding source.

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

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

Rate information

This section of the report includes information on Council's proposed rates and charges structure and general information about rates for the 2014/15 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.

Accordingly, the 2014/15 budget is based on total 2013/14 general income from ordinary and special rates being increased by 2.3%. This increase is known as the rate cap and is the maximum allowable by the Independent Pricing and Regulatory Tribunal.

The rate cap increase will allow estimated gross ordinary rate income of \$106.6 million to be raised.

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

	Number of properties	Estimated gross rate yield 2014/15 \$(000's)
Ordinary rates		
Residential	60,896	65,462
Farmland	18	35
Business (including sub-categories)	4,728	41,085
Total Properties/Gross Ordinary Rate Income	65,642	\$106,582

Rating structure

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

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

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

The Business category structure is proposed to continue to include the use of 18 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 2013/14.

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 2014/15 will be \$711.50 – this is the 2013/14 minimum amount of \$695.50 extended by the rate cap increase of 2.3%.

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 2014/15 rating cycle are:

Hunter Mall	defraying the cost of continuing additional horticultural and cleansing services and street furnishings
Mayfield business district	defraying the additional cost of promotion, beautification and development of the Mayfield business district
Hamilton business district	defraying the additional cost of promotion, beautification and development of the Hamilton business district
Wallsend business district	defraying the additional cost of promotion, beautification and development of the Wallsend business district
New Lambton business district	defraying the additional cost of promotion, beautification and development of the New Lambton business district
City centre benefit	defraying the additional cost of promotion, beautification and development of the City Centre Benefit Area

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

2014/15 Proposed rating structure

Rate	Minimum rate	Ad valorem amount cents in \$	Base amount	Estimated rate yield p.a.	Estimated gross rate yield 2014/15 \$(000's)
	\$		\$	% of Total Rates	\$

Ordinary Rates

Residential	Nil	0.228865	537.49	50	65,462,095
Business	\$711.50	1.664592	Nil	Nil	29,339,023
Farmland	\$711.50	0.336054	Nil	Nil	34,905

Business Sub-Categories

Inner City Suburban Shop. Centre	\$711.50	2.261585	Nil	Nil	119,412
Suburban Shopping Centre	\$711.50	2.472642	Nil	Nil	335,043
Kotara Major Commercial Shopping Centre	\$711.50	2.60846	Nil	Nil	1,056,426
Maj. Commercial Shopping Centre (Inner City)	\$711.50	2.037371	Nil	Nil	248,763
Kotara Homemaker's Centre	\$711.50	1.266603	Nil	Nil	414,559
Jesmond Major Commercial Shopping Centre	\$711.50	3.544853	Nil	Nil	411,203
Waratah Major Commercial Shopping Centre	\$711.50	3.925142	Nil	Nil	289,283
Wallsend Major Commercial Shopping Centre	\$711.50	3.983386	Nil	Nil	329,426
The Junction Major Commercial Shopping Centre	\$711.50	2.973269	Nil	Nil	154,610
Kooragang Industrial Coal Zone	\$711.50	1.238094	Nil	Nil	819,222

Rate	Minimum rate	Ad valorem amount cents in \$	Base amount	Estimated rate yield p.a.	Estimated gross rate yield 2014/15 \$(000's)
	\$		\$	% of Total Rates	\$
Kooragang Industrial Centre	\$711.50	1.168134	Nil	Nil	2,059,512
Mayfield North Heavy Industrial Centre	\$711.50	0.695618	Nil	Nil	489,715
Mayfield North Industrial Centre	\$711.50	1.23579	Nil	Nil	567,166
Carrington Industrial Centre	\$711.50	1.732737	Nil	Nil	2,028,662
Broadmeadow Industrial Centre	\$711.50	2.286062	Nil	Nil	110,874
Hexham Light Industrial Centre	\$711.50	1.984823	Nil	Nil	692,481
Carrington Industrial Coal Zone	\$711.50	1.972667	Nil	Nil	591,800
Kooragang North Coal Zone	\$711.50	1.46876	Nil	Nil	1,028,132

Total ordinary rates

106,582,312

Special Rates

City centre - City East	Nil	0.381964	Nil	Nil	177,500
City centre - Darby St	Nil	0.089456	Nil	Nil	27,235
City centre - City West (Close Zone)	Nil	0.165932	Nil	Nil	239,664
City centre - City West (Distant Zone)	Nil	0.082966	Nil	Nil	19,554
City centre – Tower	Nil	0.381964	Nil	Nil	146,334
City centre – Mall	Nil	0.381964	Nil	Nil	116,766
City centre – Civic (Close Zone)	Nil	0.221620	Nil	Nil	86,120
City centre – Civic (Distant Zone)	Nil	0.110810	Nil	Nil	6,081
Hunter Mall	Nil	0.308416	Nil	Nil	83,237
Mayfield Business District	Nil	0.10937	Nil	Nil	71,319
Hamilton Business District - Zone A	Nil	0.242613	Nil	Nil	79,701
Hamilton Business District - Zone B	Nil	0.121306	Nil	Nil	33,891
Hamilton Business District - Zone C	Nil	0.060653	Nil	Nil	14,662
Wallsend Business District - Zone A	Nil	0.384738	Nil	Nil	95,637
Wallsend Business District - Zone B	Nil	0.192369	Nil	Nil	12,506
Wallsend Business District - Zone C	Nil	0.288554	Nil	Nil	23,863
New Lambton Business District	Nil	0.134905	Nil	Nil	13,766
Total special rates					1,247,836

The following tables illustrates the proposed 2014/15 rates payable for Residential and Business ratepayers using a range of land values. These proposed amounts are compared against the actual amount payable for the 2013/14 period.

Estimated Residential Rates Payable

Land Value	2013/14 Rates Payable	2014/15 Rates Payable using 50% Base Amount	\$ Increase
\$50,000	\$637.52	\$651.92	\$14.40
\$100,000	\$749.17	\$766.35	\$17.18
\$150,000	\$860.83	\$880.79	\$19.96
\$175,000	\$916.66	\$938.00	\$21.34
\$200,000	\$972.48	\$995.22	\$22.74
\$234,850*	\$1,050.41	\$1,074.98*	\$24.57
\$250,000	\$1,084.14	\$1,109.65	\$25.51
\$300,000	\$1,195.80	\$1,224.09	\$28.29
\$350,000	\$1,307.45	\$1,338.52	\$31.07
\$400,000	\$1,419.11	\$1,452.95	\$33.84
\$500,000	\$1,642.42	\$1,681.82	\$39.40
\$600,000	\$1,865.73	\$1,910.68	\$44.95
\$700,000	\$2,089.04	\$2,139.55	\$50.50
\$800,000	\$2,312.36	\$2,368.41	\$56.05
\$900,000	\$2,535.67	\$2,597.28	\$61.61
\$1,000,000	\$2,758.98	\$2,826.14	\$67.16

* Average Land Value for average 2014/15 rates

The amounts stated do not include amounts payable for stormwater and waste management service charges and the Hunter and Central Rivers Catchment Management rate.

Estimated business rates payable

Land Value	2013/14 Rates Payable	2014/15 Rates Payable using 50% Base Amount	\$ Increase
Land Value	2013/14 Rates Payable	2014/15 Rates Payable using \$711.50 minimum	Increase \$
\$200,000	\$3,218.49	\$3,329.18	\$110.69
\$250,000	\$4,023.11	\$4,161.48	\$138.37
\$300,000	\$4,827.73	\$4,993.78	\$166.05
\$390,215*	\$6,307.62	\$6,495.49*	\$187.87
\$400,000	\$6,436.98	\$6,658.37	\$221.39
\$500,000	\$8,046.22	\$8,322.96	\$276.74
\$600,000	\$9,655.46	\$9,987.55	\$332.09
\$700,000	\$11,264.71	\$11,652.14	\$387.43
\$800,000	\$12,873.95	\$13,316.74	\$442.79
\$900,000	\$14,483.20	\$14,981.33	\$498.13
\$1,000,000	\$16,092.44	\$16,645.92	\$553.48
\$2,000,000	\$32,184.88	\$33,291.84	\$1,106.96
\$1,000,000	\$2,758.98	\$2,826.14	\$67.16

* Average Land Value for average 2014/15 rates

The amounts stated do not include amounts payable for Stormwater and waste management service charges and the Hunter and Central Rivers Catchment Management rate.

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 *Local Government Act 1993* requires Council to make and levy an annual charge for the recovery of costs for providing domestic waste management services. The full year DWMS charges for the four years of the Delivery Program are:

2013/14	2014/15	2015/16	2016/2017
\$330.18	\$330.18	\$351.07	\$361.95

Business waste management service charge (BWMS)

Section 501(1) requires 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 four years of the Delivery Program will be:

2013/14	2014/15	2015/16	2016/2017
\$218.47*	\$218.47	\$235.78	\$243.09

* Now liable for GST of \$19.86 (All charges GST inclusive)

Stormwater Management Service Charge

The proposed Stormwater Management Service Charge (SMSC) for 2014/15 will continue to fund an enhanced stormwater related works and services program. Income from the SMSC for the four years of the Delivery Program will be:

2013/14	2014/15	2015/16	2016/2017
\$1,975,000	\$1,985,000	\$1,990,000	\$2,000,000

The proposed 2014/15 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 2013/14. 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 *Local Government Act 1993*. 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 2014/15 SMSC for non-strata properties will be \$25 per 350m² of site area capped at \$1,000. Business strata units will be structured in the same manner but subject to a minimum of \$12.50 per strata lot. Income from the charge can be spent on both capital projects and recurrent expenditure including:

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

Rebates to eligible pensioners

Section 575 of the *Local Government Act 1993* 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 provisions

The following rate assistance options are proposed to be available, for the 2014/15 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,
- write-off of accrued interest,
- negotiation of special arrangements to pay rates and charges,
- financial planning and counselling through Council appointed welfare agencies,
- financial assistance through Council appointed welfare agencies.

Supporting details

What we will do

The following tables outline what Council will deliver in 2014/15. Within each business unit, summary table is provided on Council's level of service deliverables, and a detailed table on the operational actions.

Council has committed to the delivery of an affordable and achievable level of service across all program areas. The following tables within each theme area provide a summary of the types of activities Council will undertake in 2014/15.

- A Business unit profile
- Key objectives for the business
- A breakdown of the budget by services
- Operational Activities
- Business Improvement and Strategic Projects
- Key Performance Indicators

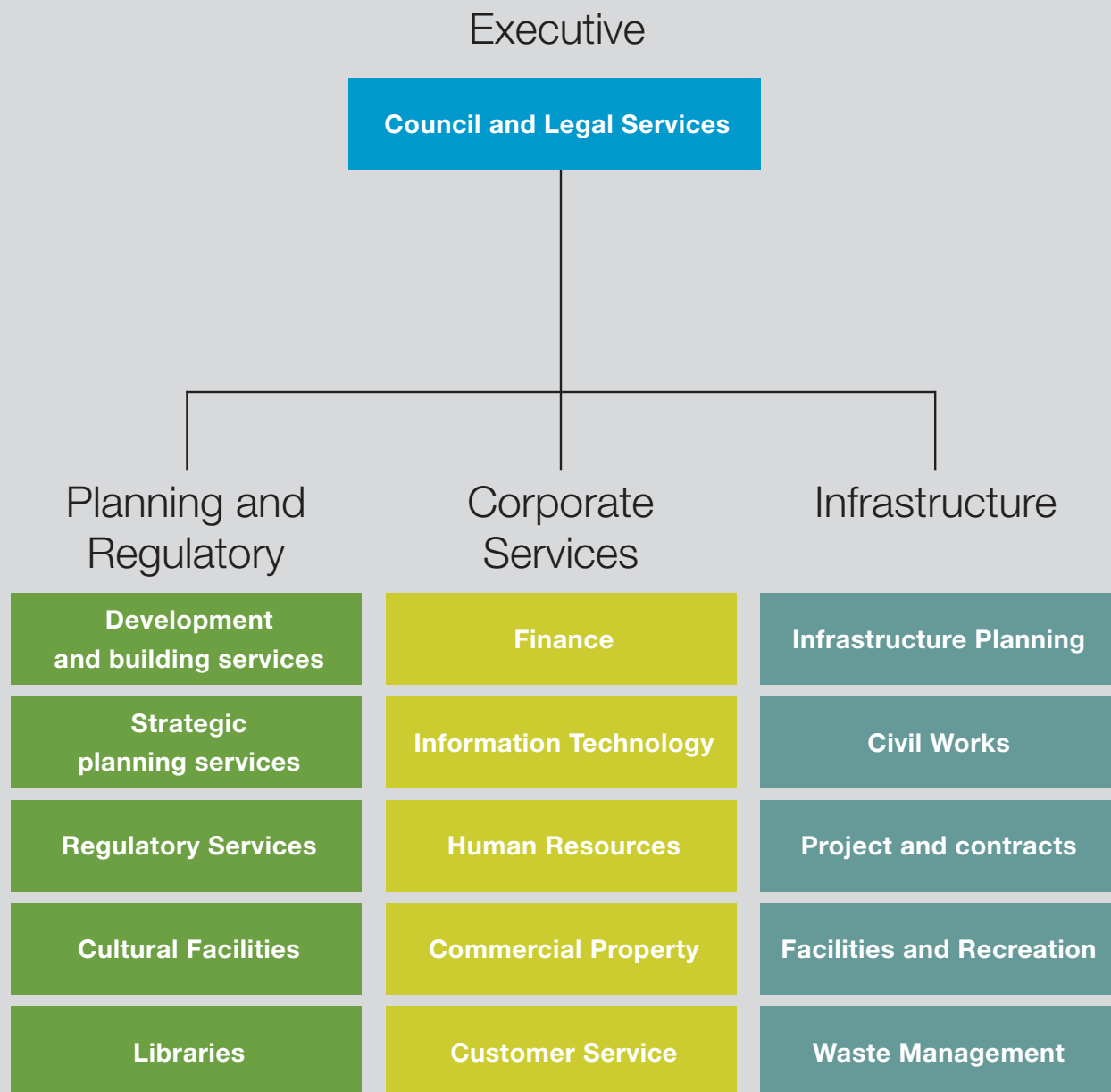
The City of Newcastle 2014/15 Operational Activities and Business Improvement and Strategic projects table identifies Council's operational actions that work towards the adopted strategic actions from The City of Newcastle's Delivery Program (2013-2017). The actions form the basis of the business unit's work plans and will be reported on half yearly and annual in our performance review.

Disclaimer: The following worksheets have been provided as a guide only for resource allocation. Council priorities during the annual planning cycle may necessitate realignment of resources within the budget approved by Council.

2014/15 Budget

	Corporate	Infrastructure	Planning	Executive	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue							
- Rates and charges	105,542,312	19,888,855	1,164,600		126,595,767	123,045,000	3%
- User charges and fees	3,932,339	34,566,764	15,035,824	4,000	53,538,927	46,947,000	-14%
- Interest	6,734,553				6,734,553	6,858,000	2%
- Grants and contributions	11,574,733	5,459,718	933,030		17,967,481	16,390,000	10%
- Other operating revenue	6,962,308	497,192	3,672,875		11,132,375	12,394,000	-10%
Total operating revenue	134,746,244	60,412,529	20,806,329	4,000	215,969,103	205,634,000	-5%
Operating expenses							
- Employee costs	23,525,159	43,254,729	22,333,148	2,041,601	91,154,637	88,978,000	-2%
- Borrowing costs	3,959,455				3,959,455	4,220,000	6%
- Materials and contracts	5,715,861	35,264,344	8,659,136	1,032,094	50,671,435	50,378,000	-1%
- Depreciation and amortisation	5,665,742	35,201,425	6,045,610	15,572	46,928,349	55,609,000	16%
- Other operating expenses	7,577,725	23,418,315	3,365,016	765,591	35,126,647	36,361,000	3%
- Internal charges	(25,841,728)	16,497,241	8,637,290	756,462	49,266		
- Internal charges Adjustment					(49,266)		
Total operating expenses	20,602,215	153,636,055	49,040,200	4,611,320	227,840,524	235,546,000	3%
Operating surplus / (deficit)	114,144,030	(93,223,526)	(28,233,871)	(4,607,320)	(11,871,421)	(29,912,000)	60%

Business unit profiles



Executive

	Council Services	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue				
- Rates and charges				
- User charges and fees	4,000	4,000	4,000	0%
- Interest			0	
- Grants and contributions				
- Other operating revenue				
Total operating revenue	4,000	4,000	4,000	0%
Operating expenses				
- Employee costs	2,041,601	2,041,601	2,149,814	5%
- Borrowing costs				
- Materials and contracts	1,032,094	1,032,094	1,063,654	3%
- Depreciation and amortisation	15,572	15,572	7,886	-97%
- Other operating expenses	765,591	765,591	729,451	-5%
- Internal charges	756,462	756,462	663,356	-14%
Total operating expenses	4,611,320	4,611,320	4,614,161	0%
Operating surplus / (deficit)	(4,607,320)	(4,607,320)	(4,610,161)	0%

Council and Legal Services

Manager: Council and Legal Services

Business unit profile

Provision of customer focused, quality advice, representation and services in the following areas: Internal legal service, governance, Council services (management of elected Council and Council meetings), access to information, internal audit, business improvement and Council committee coordination (including coordination of the Executive Management Team).

Key objectives

Provide customer focused, quality advice, representation and services in all areas of responsibility.

Improve key governance policies, systems, training and controls

- Develop and implement new delegations framework including new delegations register
- Revise policy framework and register
- Review key policies - code of meeting practice, Councillor expenses policy, public interest disclosure policy
- Develop and implement a fraud and corruption policy and associated systems
- Develop and implement governance training program.

Improve access to information framework to achieve efficiencies

- Develop and implement access to information policy
- Develop and implement tools to assist business units to handle informal GIPA requests
- Develop and implement privacy policies, management plan and associated systems.

Improve Council meeting management

- Review and improve Council meeting processes including projecting motions during Council meetings
- Review and improve use of Councillor iPads including applications
- Review business paper templates
- Revise Public Voice policies and procedures.

Review Council's committees

- Review effectiveness, composition and purpose of committees
- Improve and standardise terms of reference or charters
- Improve awareness of the roles of committees
- Review and improve EMT business paper templates and standard reports
- Improve use of iPads including applications.

Promote and coordinate the improvement of systems and processes

- Promote a culture of continuous improvement
- Develop tools and techniques to drive innovation, improvement and sustainable results
- Coordinate and facilitate the review and continuous improvement of systems and processes to provide efficient and value added customer service
- Lead improvement project teams.

Internal audit

- Deliver a risk-based forward internal audit plan on time and budget
- Ensure that Internal Audit functions are in accordance with the Internal Audit Charter
- Coordinate Audit Committee meetings according to the Audit Committee Business Calendar
- Develop and implement a schedule of compliance activities
- Pursue initiatives that improve internal audit and Audit Committee functions.

2014/20145 Detailed estimate

	Administration	Council and Legal	Executive Services	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue						
- Rates and charges						
- User charges and fees		4,000		4,000	4,000	0%
- Interest						
- Grants and contributions						
- Other operating revenue						
Total operating revenue		4,000		4,000	4,000	0%
Operating expenses						
- Employee costs	74,730	1,334,246	632,625	2,041,601	2,149,814	5%
- Borrowing costs						
- Materials and contracts		874,372	157,722	1,032,094	1,063,654	3%
- Depreciation and amortisation		12,706	2,866	15,572	7,886	-97%
- Other operating expenses		601,679	163,912	765,591	729,451	-5%
- Internal charges	107,237	481,449	167,776	756,462	663,356	-14%
Total operating expenses	181,967	3,304,452	1,124,901	4,611,320	4,614,161	0%
Operating surplus / (deficit)	(181,967)	(3,300,452)	(1,124,901)	(4,607,320)	(4,610,161)	0%

Operational activities

Plan Reference	Activities/Projects	Milestone
Governance		
7.4	Provide quality, timely governance advice to organisation	See KPI
7.4	Manage code of conduct, fraud and corruption and public interest disclosure complaints	See KPI
7.4	Manage governance policies and frameworks - code of meeting practice, Councillor expenses policy, public interest disclosure policy, policy framework	See KPI
7.4	Manage governance registers - policy register, delegations register, gift register, pecuniary interest register	See KPI
7.4	Develop governance training program	September 2014
Legal		
7.4	Provide quality timely legal advice and representation	See KPI
7.4	Manage services provided by external legal suppliers	See KPI
7.4	Process liquor licensing applications	See KPI
Access to information		
7.4	Process access to information requests under GIPA, subpoena and PIPPA	See KPI
7.4	Manage access to information policy and framework including training and information provided on website and novoPulse	See KPI
7.4	Manage privacy management plan and framework including training and information provided on website and novoPulse	See KPI
Council Services		
7.4	Coordinate Council meeting processes including forward agenda, corporate diary, coordination of business papers, webcasting, chamber management and production of minutes	See KPI
7.4	Distribute Council resolutions and prepare reports on implementation of resolutions	See KPI
7.4	Coordinate Councillor service request system	See KPI
7.4	Manage Councillor expenses including coordinating event attendance and professional development	See KPI
7.4	Coordinate content on Councillor iPads and intranet	See KPI

Plan Reference	Activities/Projects	Milestone
7.4	Coordinate public voice	See KPI
Executive services		
7.4	Coordinate EMT meeting processes including forward agenda, coordination of business papers and production of minutes	See KPI
7.4	Distribute action items and manage information on Directors iPads	See KPI
Committee services		
7.4	Provide committee meeting secretariat services including coordination of business papers, production of minutes and meeting scheduling	See KPI
Business improvement		
7.4	Deliver training and information sessions on improvement tools and techniques	See KPI
7.4	Analyses and research systems and processes	See KPI
7.4	Coordinate and facilitate the review and continuous improvement of systems and processes	See KPI
7.4	Lead improvement projects to achieve organisational objectives	See KPI
Internal audit		
7.4	Coordinate delivery of a risk-based forward internal audit plan	See KPI
7.4	Manage internal audit contractors	See KPI
7.4	Coordinate and report on response to audit recommendations	See KPI
7.4	Coordinate Audit Committee meetings and business papers	See KPI
7.4	Maintain a schedule of compliance activities	See KPI

Business improvement plans and key strategic projects

Plan Reference	Activities/Projects	Milestone
Governance		
7.4	Develop and implement new delegations framework including new delegations register	September 2014
7.4	Develop and implement a fraud and corruption policy and associated systems	September 2014
7.4	Review Council committees	December 2014
Access to information		
7.4	Develop and implement privacy management plan and associated systems	September 2014
Council services		
7.4	Review public voice	December 2014
7.4	Review and improve meeting processes including Councillor iPad applications and projecting motions	September 2014
Executive services		
7.4	Review and improve EMT meeting processes including charter, templates, organisational awareness and timeframes	December 2014
Business improvement		
7.4	Identify and promote tools to guide innovation and improvement in the organisation	December 2014
7.4	Review core processes of the organisation and identify opportunities for improvement	June 2015
Internal audit		
7.4	Develop survey tool for Audit Committee and stakeholder satisfaction	August 2014
7.4	Develop and conduct a schedule of compliance activities	September 2014

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
All services	7.4	EMT and Leadership Group are satisfied with the overall contribution of each service	> 80%
Governance	7.4	Code of conduct, fraud and corruption and public interest disclosures are managed in compliance with legislative and policy requirements	100%
Governance	7.4	Governance policies and frameworks are reviewed in compliance with legislative and policy requirements	> 80%
Governance	7.4	Pecuniary interest register is produced and tabled at Council in compliance with legislative requirements	100%
Governance	7.4	Public interest disclosure and code of conduct reports are provided to the relevant government agencies	100%
Legal	7.4	Liquor applications are processed in compliance with legislative requirements	> 80%
Legal	7.4	External legal providers are managed within allocated budget	100%
Access to information	7.4	Formal GIPA applications are processed in compliance with legislative requirements	> 80%
Access to information	7.4	Informal GIPA applications and subpoenas are processed in compliance with agreed timeframes	>80%
Access to information	7.4	Annual report and information guide are submitted to the relevant government agencies	100%
Access to information	7.4	Privacy complaints are managed in compliance with legislative requirements	>80%
Council services	7.4	Business papers are distributed to Councillors 10 days prior to meeting	>80%
Council services	7.4	Minutes and resolutions are distributed within three days of meeting	>80%
Council services	7.4	Quarterly reports are provided to EMT on the status of Council resolutions	>80%
Executive Management	7.4	Business papers are distributed to EMT one week prior to meeting	>80%
Executive Management	7.4	Minutes and action items are distributed within five business days of a meeting	>80%
Business improvement	7.4	Improvement recommendations are delivered within agreed timeframes	>80%
Business improvement	7.4	Partnerships with business units to promote improvement are developed	>80%
Business improvement	7.4	Improvement projects achieve their agreed purpose	>80%
Internal audit	7.4	Audit Committee is satisfied with the overall contribution of Internal audit	>80%
Internal audit	7.4	Audit stakeholders are satisfied with the overall contribution of Internal audit	>80%
Internal audit	7.4	Forward internal audit plan is delivered on time	>80%
Internal audit	7.4	Forward internal audit plan is delivered on budget	>80%
Internal audit	7.4	Compliance activities are completed according to approved schedule	>80%

Planning and Regulatory

	Cultural Facilities	Development and Building	Director - Planning and Regulatory	Libraries	Regulatory Services	Strategic Planning	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue									
- Rates and charges						1,164,600	1,164,600	1,134,539	
- User charges and fees	4,086,520	2,724,285		273,150	6,809,873	1,141,996	15,035,824	15,349,342	2%
- Interest								0	
- Grants and contributions	120,400			300,200		512,430	933,030	864,097	-8%
- Other operating revenue	75,565			193,361	3,310,737	93,211	3,672,875	4,194,373	12%
Total operating revenue	4,282,485	2,724,285		766,711	10,120,610	2,912,237	20,806,329	21,542,351	3%
Operating expenses									
- Employee costs	5,058,570	4,330,427	364,008	4,259,088	4,121,121	4,199,933	22,333,148	21,885,194	-2%
- Borrowing costs									
- Materials and contracts	3,023,064	404,145	30,802	1,061,095	2,372,511	1,767,520	8,659,136	7,851,342	-10%
- Depreciation and amortisation	3,182,103	1,885		1,922,100	592,719	346,803	6,045,610	5,850,797	-3%
- Other operating expenses	215,890	59,164	7,696	509,737	894,972	1,677,556	3,365,016	3,256,330	-3%
- Internal charges	1,941,377	1,584,471	67,551	1,846,968	1,410,342	1,786,581	8,637,290	6,673,363	-29%
Total operating expenses	13,421,004	6,380,092	470,057	9,598,988	9,391,666	9,778,393	49,040,200	45,517,026	-8%
Operating surplus / (deficit)	(9,138,519)	(3,655,807)	(470,057)	(8,832,277)	728,945	(6,866,156)	(28,233,871)	(23,974,675)	-18%

Planning and Regulatory Director

	Administration	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue				
- Rates and charges				
- User charges and fees				
- Interest				
- Grants and contributions				
- Other operating revenue				
Total operating revenue				
Operating expenses				
- Employee costs	364,008	364,008	352,539	-3%
- Borrowing costs				
- Materials and contracts	30,802	30,802	30,021	-3%
- Depreciation and amortisation				
- Other operating expenses	7,696	7,696	7,501	-3%
- Internal charges	67,551	67,551	69,975	3%
Total operating expenses	470,057	470,057	460,036	-2%
Operating surplus / (deficit)	(470,057)	(470,057)	(460,036)	-2%

Development and Building

Manager: Development and Building

Business unit profile

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

Key objectives

To ensure that the unit responds appropriately to foreshadowed significant changes to planning/certification legislation

To continue to build on progress made over the past few years in terms of systems and operational structure

To capitalise on opportunities for further system improvements, particularly opportunities arising from the corporate ERP project.

	Administration	Building Assessment Team	Development Assessment Team	Service Assessment Team	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue							
- Rates and charges							
- User charges and fees	20,000	1,469,708	1,234,577		2,724,285	3,164,914	14%
- Interest							
- Grants and contributions							
- Other operating revenue							
Total operating revenue	20,000	1,469,708	1,234,577		2,724,285	3,164,914	14%
Operating expenses							
- Employee costs	915,080	1,291,977	1,879,700	243,670	4,330,427	4,134,598	-5%
- Borrowing costs							
- Materials and contracts	51,901	126,108	200,300	25,836	404,145	460,881	12%
- Depreciation and amortisation	363	554	605	363	1,885	1,996	6%
- Other operating expenses	19,886	16,021	20,846	2,411	59,164	42,672	-39%
- Internal charges	437,765	551,069	487,869	107,768	1,584,471	1,389,473	-14%
Total operating expenses	1,424,995	1,985,729	2,589,320	380,048	6,380,092	6,029,620	-6%
Operating surplus / (deficit)	(1,404,995)	(516,021)	(1,354,743)	(380,048)	(3,655,807)	(2,864,706)	-28%

Operational activities

Plan Reference	Activities/Projects	Milestone
Development assessment		
5.1,5.3	Activity generated by demand for service	On going
Building subdivision certification		
5.1,5.3	Activity generated by demand for service	On going
Swimming pool compliance certification		
5.1	Activity generated by demand for service	On going

Business improvement plans and key strategic projects

Plan Reference	Activities/Projects	Milestone
Development assessment		
5.1	ERP project is main opportunity for improvement to processes	On going
Building and subdivision certification		
5.1	ERP project is main opportunity for improvement to processes	On going
Swimming pool compliance certification		
5.1	ERP project is main opportunity for improvement to processes	On going

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
Development Assessment	7.4	Maximum active DA's maintained below 400	<400
Development Assessment	7.4	90% of all DAs have a median net turn around time <40days	90% <40 days

Strategic Planning

Manager: Strategic Planning

Business unit profile

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

Key objectives

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

2014/15 Detailed estimate

	Administration	Business Improvement Associations	Child Care	Community	Economic	Urban Planning	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue									
- Rates and charges		1,164,600					1,164,600	1,134,539	
- User charges and fees			938,472	2,304	50,220	151,000	1,141,996	1,163,374	2%
- Interest								0	
- Grants and contributions			21,000	170,552	115,000	205,878	512,430	288,826	-77%
- Other operating revenue			62,111		11,000	20,100	93,211	38,035	-145%
Total operating revenue		1,164,600	1,021,583	172,856	176,220	376,978	2,912,237	2,624,774	-11%
Operating expenses									
- Employee costs	476,502		1,018,377	1,083,865	809,893	811,296	4,199,933	4,297,299	2%
- Borrowing costs									
- Materials and contracts	111,574		82,647	31,493	1,436,595	105,210	1,767,520	1,251,328	-41%
- Depreciation and amortisation	6,792	73	219,180	120,758			346,803	346,289	0%
- Other operating expenses	24,806	1,214,087	18,000	254,330	158,589	7,744	1,677,556	1,547,232	-8%
- Internal charges	359,598	200,969	297,438	442,838	275,650	210,088	1,786,581	1,462,099	-22%
Total operating expenses	979,272	1,415,129	1,635,642	1,933,284	2,680,728	1,134,338	9,778,393	8,904,247	-10%
Operating surplus / (deficit)	(979,272)	(250,529)	(614,059)	(1,760,428)	(2,504,508)	(757,360)	(6,866,156)	(6,279,473)	-9%

Operational activities

Plan Reference	Activities/Projects	Milestone
Land use planning		
all	Complete working/background papers to the Local Planning Strategy (LPS), complete draft working paper by strategy for exhibition in late 2014. LPS by December 2014	June 2014
5.1	Monitor and amend Local Environmental Plan 2012 (LEP) and Development Control Plan 2012 (DCP) as required	Ongoing
5.3	Review controls in both the LEP and DCP, including stakeholder consultation and establishment of an Industry Liaison Group for single dwellings. draft DCP amendments to exhibition mid 2014	Mid 2014
7.1	Input to Development Guideline with DPI	May 2014
5.1	Prepare project plan and review boundaries and controls applying to heritage conservation areas. Cooks Hill Conservation Area review completed by June 2014. Remainder by Dec. 2014	As per project plan
5.1	Implement the heritage strategy;	2017
7.1	Transition LEP and DCP into the new planning legislation	2017
7.1	Monitor and maintain developer contribution plans	Ongoing
5	Review development contributions applicable for mines subsidence grouting work. Report recommendations to Council by June 2014	June 2014
Community planning		
	Complete Caring and Inclusive Strategy	draft mid 2014
3.1-3.3; 4.2; 5.4	Complete Community Facilities Strategy	October 2014
3.1; 5.4	Complete Community Facility Management Policy	draft March 2014
3.3	Deliver Community Safety Strategy (note position vacant and program will be delayed)	TBC
CG7	Complete review of child care centres and early childhood centres and complete priority actions	August 2014
all	Monitor implementation of Community Strategic Plan 2030 (CSP)	Ongoing
CG8	Monitor implementation of Reconciliation Action Plan	Ongoing

Plan Reference	Activities/Projects	Milestone
5.3	Complete Elladale House project with Housing NSW	July 2014
5.3	Building Better Cities Committee to award tender for Empire Hotel site - then monitor project	July 2014
4	Deliver Youth Week and Seniors Week	March and May 2015
3.2	Deliver two rounds of place making grants	March and October 2015
4	Deliver Aboriginal Youth Arts projects consistent with grant application	Ongoing to 2016
4	Deliver community development projects*	
4	Deliver cultural development program*	
4	Facilitate Guraki and Youth Advisory Committees**	Ongoing
City Centre Revitalisation		
5.1; CG1	Deliver Hunter Street Mall Short Term Improvements	July 2014
7.1	Finalise City Centre Development Guideline with DPI and review, adopt and advertise document	May 2014
7.1	Input to Newcastle Revitalisation projects with State Government including Newcastle Light Rail project	as required
7.1	Complete city centre technical manual	July 2014
6.3	Oversee/monitor night markets city centre and manage day markets and other economic initiatives	commence February 2014
6	Partnership projects - identify opportunities to partner with other groups to deliver activation and development projects	Ongoing
6.3	Continue to work with Newcastle Now and Renew Newcastle to deliver activation	3 city talks per year
5.1	Façade improvement program	Ongoing
3.3	Business lighting project	June 2015
6.3	Determine city centre reporting and performance measures	June 2015
Tourism and economic development		
6.2; 7.1	Complete and commence implementation of the economic development strategy	adopted by October 2014
6.3; 7.1	Implement the Newcastle Destination Management Plan	2017
3.2; 6.3; 7.1	Prepare annual events strategy and review events sponsorship and economic development program to refine objectives, process, reporting	Apr-15
4.1; 6.3; 7.3	AFC Asian Cup 2015 - deliver contractual obligations including marketing and volunteer programs. Review and report on completion	June 2015
Beresfield Child Care Centre		
7.1	Provide excellent child care and meet all industry relevant standards	July 2014 Community facility management policy and operational guidelines

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
Projects/work plan/ events	CG1	All projects delivered on time and within budget, measure- project closure reports completed - Project closure reports completed, reported to EMT or Director as required	100%
Community consultation	CG2	Consultation undertaken for all projects with an impact on the community and/or legislative requirement, measure - consultation undertaken outlined and documented in reports to Council	100%

Regulatory Services

Manager: Regulatory Services

Business unit profile

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

Key objectives

- Protect the natural environment and public health
- Achieve a high standard of food safety
- Ensure that development takes place in accordance with environmental planning legislation
- 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
- Provide a high level of customer service
- Develop and implement policies and strategies to guide compliance activities
- Conduct regular audits of performance and regulatory capacity within Regulatory Services
- Manage organisational health and morale and work health and safety
- Manage Council's off street multi-level car park and implement strategies to achieve a sustainable market advantage
- Seek consistency and fair enforcement
- Clear, consistent, simplified communication.

	Administration	Compliance	Environmental Health	Parking	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue							
- Rates and charges							
- User charges and fees		430,266	542,415	5,837,192	6,809,873	6,247,758	-9%
- Interest							
- Grants and contributions							
- Other operating revenue		3,282,737	28,000		3,310,737	3,889,459	15%
Total operating revenue		3,713,003	570,415	5,837,192	10,120,610	10,137,217	0%
Operating expenses							
- Employee costs	280,651	1,958,954	1,108,061	773,455	4,121,121	3,996,794	-3%
- Borrowing costs							
- Materials and contracts	91,639	542,165	81,380	1,657,328	2,372,511	2,073,722	-14%
- Depreciation and amortisation	2,158	17,651		572,910	592,719	578,891	-2%
- Other operating expenses	8,451	759,509	17,707	109,305	894,972	948,365	6%
- Internal charges	230,710	436,135	324,135	419,362	1,410,342	950,216	-48%
Total operating expenses	613,609	3,714,414	1,531,283	3,532,360	9,391,666	8,547,988	-10%
Operating surplus / (deficit)	(613,609)	(1,410)	(960,868)	2,304,832	728,945	1,589,229	54%

Operational activities

Plan Reference	Activities/Projects	Milestone
Environmental health		
2.2	Respond to complaints regarding environmental pollution	Ongoing
2.2	Assess development applications for environmental impact	Ongoing
2.2	Proactively monitor and regulate activities to minimise environmental impact, including implementing Council's Business Pollution Prevention Program (BPPP) and Erosion and Sediment Control Program	Ongoing
2.2	Manage contaminated land information and seek appropriate remediation through the development application process	Ongoing
2.2	Respond to complaints regarding health issues	Ongoing
2.2	Assess development applications for health impacts	Ongoing
2.2	Proactively monitor and regulate cooling towers, air handling systems and warm water system to minimise the risk of legionella outbreaks	Ongoing
2.2	Proactively monitor and regulate on site sewage management systems to minimise the risk of water pollution and public health impacts	Ongoing
2.2	Participate in regional Septic Tank Action Group (STAG)	Ongoing
4.2	Participate in Hunter Region Health Education Committee (HRHEC)	Ongoing
4.2	Proactively monitor and regulate commercial skin penetration activities such as tattooists and beauty salons to minimise the risk of public health impacts	Ongoing
Food surveillance		
4.2	Respond to complaints regarding food safety	Ongoing
4.2	Assess development applications for compliance with food standards	Ongoing
4.2	Proactively monitor and regulate activities to minimise food safety impacts	Ongoing
4.2	Participate in regional food group	Ongoing
Development compliance		
5.1	Respond to complaints regarding alleged unauthorised building work, development without consent and development not in accordance with consent	Ongoing
4.2	Inspect premises for compliance with the <i>Boarding Houses Act</i>	Ongoing

Plan Reference	Activities/Projects	Milestone
5.1	Proactively monitor and regulate activities to identify and respond to unauthorised development.	Ongoing
4.2	Respond to complaints regarding fire safety in buildings	Ongoing
4.2	Use a range of approval, audit and inspection tools to ensure adequate fire safety in buildings	Ongoing
Rangers		
4.2	Respond to reports of alleged dog attacks	Ongoing
4.2	Promote awareness of the requirements of the Companion Animals Act with respect to the ownership of companion animals	Ongoing
4.2	Take steps to locate dangerous and restricted dogs in the LGA and ensure that they are kept in accordance with the control requirements of the <i>Companion Animals Act</i>	Ongoing
4.2	Respond to reports of stray dogs and take steps to return the animal to its owner or impound the animal	Ongoing
Parking compliance		
1.3	Patrol to address parking matters	Ongoing
On-street parking		
1.3	Provide city wide management of on-street parking operations which safety, accessibility and amenity	Ongoing
1.3	Manage Council's off street multi-level car park to meet the parking demand and a commercially competitive environment	Ongoing

Business improvement plan and key strategic projects

Plan Reference	Activities/Projects	Milestone
Rangers		
4.2	Develop and implement feral and infant companion animal policy	September 2014
Environmental health		
7.1	Creeks and waterways - Inspect erosion and sediment control	Ongoing

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
Parking compliance	1.3	Percentage of penalty infringement notices represented, cautioned and not actioned	<5% of representation identified 'no actioned'
Environmental health	2.3	Percentage of initial investigations regarding asbestos completed within 24 hours	90%
On-street parking	1.3	Percentage of reported parking meter faults actioned and/or attended to within two hours	>=90%
Rangers	4.1	Percentage of initial investigations regarding dog attacks completed within 24 hours	100%
Food surveillance	4.2	Percentage of high and medium risk food premises satisfactory on first annual inspection	>80% satisfactory on first annual inspection
Food surveillance	4.2	Percentage of high and medium risk food premises inspected annually	100%
Customer Service	7.1	Dog attack complaints to be logged and triaged within 24 hours	>=90%
Customer Service	7.1	Annual fires safety statements to be processed with seven days	>=90%

Cultural Facilities

Manager: Cultural Facilities

Business unit profile

Newcastle Museum

Newcastle Museum is one of a suite of cultural institutions owned and operated by The City of Newcastle. As a free, accessible, and engaging educational institution Newcastle Museum provides access to community history, a repository for significant moveable cultural heritage material, and a showcase for ideas about the past, present and future of the community.

Newcastle Art Gallery

Newcastle Art Gallery is one of a suite of cultural institutions owned and operated by The City of Newcastle. The Art Gallery is responsible for providing an enriching visual arts experience through an exciting and accessible range of exhibitions, programs for a diverse range of audiences as well as the Ongoing research and development of the permanent collection to maintain the Gallery's position as the one of the major regional art galleries in Australia.

The Gallery's mission is to provide access to the residents of Newcastle and beyond a high quality visual arts experience through collecting, conserving, exhibiting, interpreting, educating and promoting the most significant art collection in regional Australia.

Major Venues

Newcastle's Major Venues (Civic Theatre et al) is one of a suite of cultural institutions owned and operated by The City of Newcastle. The Major Venues Unit is responsible for maximising the live performance, functions, event and visitor experience potential of TCoN's premium cultural and heritage assets, contributing to the sustainable growth and development of the region's culture, economy and tourism.

Key objectives

Newcastle Museum

We aim to make ourselves as accessible as possible (physically, socially, and intellectually) to as many people as possible. By providing an exciting program of exhibition, activities, events, and educational resources to encourage new and repeat visitation.

We will continue to develop plural funding sources and generate income through, venue hire, retail, café and catering, donations, fundraising and public programs to enhance services and supplement Council funding.

We will deliver and maintain a high quality visitor experience and a high level of museum professional standards through being appropriately resourced, developing and empowering staff, reviewing and benchmarking services, looking outward, and working with other business units to ensure provision of clean and well maintained facilities.

Newcastle Art Gallery

We will establish the gallery as a model of best practice in Australia in all aspects of its service delivery and 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 through the permanent collection.

We will work to increase collection storage, display space, enhance loading dock and security facilities, education spaces and gallery shop and includes a commercial enhancement through functions hire, café and retail space.

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

We will maintain and enhance the Gallery's role as an important contributor to cultural tourism in Newcastle and wider Hunter Region, acting as a magnet for visitation to the new Civic and Cultural Precinct and enlivening the Precinct's Darby Street frontage and the eastern end of Civic Park.

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

Major Venues

We will improve revenue generating capacity from Major Venue assets. We will review Major Venues Marketing and Business Development Strategy in line with best practices initiatives. We will assist and empower Fort Scratchley Historical Society in the delivery of enhancements to the Fort Scratchley visitor experience and, where appropriate, identify new revenue streams from Fort Scratchley Historical Site.

We will deliver a diverse, exciting and community enriching performing arts program and include strong community accessible programs to Civic Theatre 2014 and 2015 Seasons.

2014/15 Detailed estimate

	Administration	Art Gallery	City Hall	Civic Theatre and Playhouse	Fort Scratchley	Museum	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue									
- Rates and charges									
- User charges and fees		229,500	797,533	2,297,397	320,915	441,175	4,086,520	4,462,153	8%
- Interest									
- Grants and contributions		35,000		75,000		10,400	120,400	169,900	29%
- Other operating revenue			13,606		9,959	52,000	75,565	78,858	4%
Total operating revenue		264,500	811,139	2,372,397	330,874	503,575	4,282,485	4,710,911	9%
Operating expenses									
- Employee costs		1,163,947	715,092	1,695,387	134,817	1,349,327	5,058,570	4,966,464	-2%
- Borrowing costs									
- Materials and contracts		710,262	237,520	1,007,381	115,698	952,203	3,023,064	3,077,791	2%
- Depreciation and amortisation		416,938	1,062,450	1,023,501	111,281	567,933	3,182,103	3,039,877	-5%
- Other operating expenses		64,098	7,288	99,372	62,299	(17,166)	215,890	233,841	8%
- Internal charges		466,448	325,574	597,257	123,606	428,492	1,941,377	1,538,713	-26%
Total operating expenses		2,821,693	2,347,923	4,422,898	547,701	3,280,789	13,421,004	12,856,686	-4%
Operating surplus / (deficit)		(2,557,193)	(1,536,784)	(2,050,501)	(216,827)	(2,777,214)	(9,138,519)	(8,145,775)	-12%

Operational activities

Service	Plan Reference	Activities/Projects	Milestone
Newcastle Museum			
Business support	3.2	Professionally manage cafe and catering, venue hire and retail operations to meet income targets	See KPIs
Exhibitions and collection	3.2	Professionally manage the Museum's collections and displays and provide a program of temporary exhibitions relevant and able to inspire	See KPIs
Public programs and visitor services	3.2	Develop and deliver formal and informal programs of activities and events to attract visitors, sponsors and provide excellent customer service.	See KPIs
Newcastle Art Gallery			
Exhibitions	3.2	Professionally deliver a diverse program of exhibitions annually that showcase local national and international artists practice	See KPIs
Audience programs	3.2	Develop and deliver public and education programs 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	See KPIs
Curatorial	3.2	Deliver high quality management of the Gallery's permanent collection including its access by audience from general to academic through publications, resources, exhibitions, research and programs	See KPIs
Major Venues			
City Hall / Civic Theatre / Fort Scratchley	3.3	Professionally develop and manage The City of Newcastle's major venues	See KPIs
Civic Theatre / Playhouse / City Hall	3.3	Professionally develop and manage The City of Newcastle's live performance venues maximising their full potential while endeavouring long term sustainability	See KPIs
Ticketing services	3.3	Manage a professional and self sustainable ticketing service	See KPIs

Service	Plan Reference	Activities/Projects	Milestone
Fort Scratchley		Manage the relations with the Fort Scratchley Historical Society to enhance and develop the Fort Scratchley historical site visitor experience	See KPIs
Marketing and Business Development		Maximise potential of all The City of Newcastle's Major Venues through active promotion and business development	See KPIs

Business improvement plan and key strategic projects

Service	Plan Reference	Activities/Projects	Milestone
Newcastle Museum			
Maritime Centre	3.2	Continue to manage the Council exit strategy from Maritime Society funding	Payment November 2014
Erecting shed roof	3.2	Work with MAPPS and PM to deliver roof replacement project	Roof work completed by end of FY 2014/15.
Newcastle Art Gallery			
Building facilities	3.2	Work with MAPPS and PM to develop and deliver maintenance program including upgrade of internal external spaces to maximise opportunities to meet operational outcomes as well as being innovative with the limited spaces available internally with a view to multi-use options where possible	March 15
Gallery's collection	3.2	Gallery's collection easily accessible in multiple delivery formats, relevant language and form and through multiple access points that increases knowledge, understanding and enjoyment of the City's most valuable asset	June 15
Major Venues			
City Hall / Civic Theatre	CG3	Best fit for business outcome from Catering Service Provider tender process	December 2014
Ticketing services	CG3	Best fit for business outcome from Ticketing Services tender process	December 2014
City Hall / Fort Scratchley / Civic Theatre	CG3	Implement the major venues marketing and business development plan	June 2015
Fort Scratchley	CG2	Implement a consolidated F.S business opportunities via integration of websites, online tour booking mechanism and management license to secure Fort Scratchley Historical Society's tenure	June 2015

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
Newcastle Museum			
Public Program and Visitor Services	3.2	Meet visitor target through engaging programs and excellent customer service encouraging repeat and new visitation.	128,500 visitors
Exhibitions and collections	3.2	Provide clean accessible and working exhibits	Minimum of 90% working at any time.
Exhibitions and collections	3.2	Hold one community, one family, one in-house developed and 1 other exhibition per year	Stage a minimum of 4 exhibitions per year
Business support	7.1	Meet retail, venue hire, café and catering income targets	On budget
Newcastle Art Gallery			
Public Program and Visitor Services		Meet visitor target through engaging programs and excellent customer service encouraging repeat and new visitation	60,000 visitors + 10% increase in social media and public program participation.
Exhibitions and Collections		provide an annual exhibition program	2 Major shows + min of 6 other shows
Exhibitions and Collections		Provide access to the collection through the annual exhibition program	At least 80% of each exhibition sourced from the collection.
Art Prize		Conduct the Annual Kilgour Art Prize	December 2014
Enhanced access to the collection through the annual exhibition program		100% of exhibition link and/or bring context to works in the collection	100% of exhibition link and/or bring context to works in the collection
Collection	3.2	Enhanced access to the collection through relevant , accessible and enjoyable public programs and events	Up to 80% of public programs and events focus on works from the collection
Audience	3.2	Enhance audience development and participation through new initiatives targeting youth, families and seniors, membership and benefactors	Increase audience participation by 10% of 2012/13 participation
Major Venues			
Catering Service	CG3	Best fit for business outcome from Catering Service Provider Tender	December 2014
Ticketing Service	CG3	Best fit for business outcome from Ticketing Services Tender	December 2014
Fort Scratchley Historical Society	CG5	Fort Scratchley Historical Society management licence implemented in conjunction with consolidated business development mechanisms	June 2015

Libraries

Manager: Libraries

Business unit profile

- Provide a wide range of library services to the community
- Lead the discovery of community learning, leisure and knowledge.
- Remain an important place-making centres by attracting the community to their locations across the City.
- Provide books and audio-visual materials for loan
- Provide spaces for people to meet, services to homebound patrons and multicultural groups, assist the community and businesses in finding answers to their information enquiries, and provide computer and internet access to assist the social and economic development of the community
- Provide targeted promotional and educational initiatives which enhance the City's culture.

Key objectives

- Provide a comprehensive, contemporary Library Service to the community
- Maintain a service in facilities which are appropriate, comfortable and appealing to all sections of the community.

2014/15 Detailed estimate

	Administration	Community Support	Lending Services	Library Branches	Support Services	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue								
- Rates and charges								
- User charges and fees	9,500	22,900		218,750	22,000	273,150	311,143	12%
- Interest							0	
- Grants and contributions	295,000	5,200				300,200	405,371	26%
- Other operating revenue	121,622		71,739			193,361	188,021	
Total operating revenue	426,122	28,100	71,739	218,750	22,000	766,711	904,535	20%
Operating expenses								
- Employee costs	399,873	128,389	3,201,686	146,440	382,700	4,259,088	4,137,500	-3%
- Borrowing costs								
- Materials and contracts	63,080	30,800	9,390	699,536	258,289	1,061,095	957,599	0%
- Depreciation and amortisation	13,471	578	1,199,557	707,874	620	1,922,100	1,883,744	-2%
- Other operating expenses	157,311	63,956		74,290	214,180	509,737	476,719	-31%
- Internal charges	132,255	218,736	502,993	792,081	200,903	1,846,968	1,262,887	-46%
Total operating expenses	765,990	442,459	4,913,626	2,420,221	1,056,692	9,598,988	8,718,449	-10%
Operating surplus / (deficit)	(339,868)	(414,359)	(4,841,887)	(2,201,471)	(1,034,692)	(8,832,277)	(7,813,914)	-13%

Operational activities

Plan Reference	Activities/Projects	Milestone
Libraries		
3.1, 7.4, 4.2	Stock of loan items maintained and resourced	Loans maintained
3.1, 7.4, 4.2	Stock of reference items maintained and resourced	Enquiries maintained
3.1, 7.4, 4.2	Delivery of children's, youth and adult programs as appropriate	Programs delivered

Business improvement plan and key strategic projects

Plan Reference	Activities/Projects	Milestone
Libraries		
3.1, 7.4, 4.2	Implementation of RFID project	Additional Branches installed, increase in efficiency
3.1, 7.4, 4.2	Review of branch hours	Efficient utilisation of staff resources

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
RFID Implementation	3.1, 7.4, 4.2	RFID implemented and functional - stage 2	Minimum of 2 additional Branches fully operational
RFID Implementation	3.1, 7.4, 4.2	Implementation across other branches	Implementation plan rolled out
Strategic Plan	3.1, 7.4, 4.2	Reviewed and implemented	Review completed. Implementation maintained.
Library Service Delivery Model (LSDM)	3.1, 7.4, 4.2	Review existing LSDM and develop plan for a revised LSDM	Action plan finalised
Library Service Restructure	3.1, 7.4, 4.2	Review existing restructure proposal and implement	Action plan finalised, restructure implemented

Corporate Services

	Commercial Property	Customer Service	Director Corporate	Finance	Human Resources	Information Technology	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue									
- Rates and charges				105,542,312			105,542,312		
- User charges and fees	2,500,191	159,393		731,320		541,435	3,932,339	4,084,933	4%
- Interest				6,734,553			6,734,553	6857577	2%
- Grants and contributions				11,554,733	20,000		11,574,733	13,442,325	14%
- Other operating revenue	2,477,359	12,726	115,000	4,357,223			6,962,308	8,030,332	13%
Total operating revenue	4,977,550	172,119	115,000	128,920,141	20,000	541,435	134,746,244	32,415,167	-316%
Operating expenses									
- Employee costs	1,010,679	2,522,226	628,180	10,453,196	6,560,298	2,350,579	23,525,159	35,794,287	34%
- Borrowing costs				3,959,455			3,959,455	4,220,185	6%
- Materials and contracts	2,012,943	347,974	80,662	1,649,827	430,535	1,193,920	5,715,861	6,064,020	6%
- Depreciation and amortisation	949,240	76,604	291	3,784,423	36,915	818,269	5,665,742	4,794,215	-18%
- Other operating expenses	161,322	337,517	2,721,060	3,568,798	687,357	101,671	7,577,725	7,877,483	4%
- Internal charges	1,023,530	834,071	329,342	(29,559,143)	936,553	593,920	(25,841,728)	(20,096,469)	-29%
Total operating expenses	5,157,714	4,118,392	3,759,534	(6,143,443)	8,651,658	5,058,359	20,602,215	38,653,721	47%
Operating surplus / (deficit)	(180,164)	(3,946,273)	(3,644,534)	135,063,583	(8,631,658)	(4,516,924)	114,144,030	(6,238,554)	1930%

Corporate Director

	Administration	Corporate Responsibilities	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue					
- Rates and charges					
- User charges and fees					
- Interest					
- Grants and contributions					
- Other operating revenue			115,000	105,000	-10%
Total operating revenue			115,000	105,000	-10%
Operating expenses					
- Employee costs	335,949	292,231	628,180	617,620	-2%
- Borrowing costs					
- Materials and contracts	18,359	62,303	80,662	82,314	2%
- Depreciation and amortisation	291		291	2,103	86%
- Other operating expenses	4,437	2,716,623	2,721,060	2,910,489	7%
- Internal charges	59,084	270,258	329,342	125,286	-163%
Total operating expenses	418,120	3,341,414	3,759,534	3,737,812	-1%
Operating surplus / (deficit)	(418,120)	(3,226,414)	(3,644,534)	(3,632,812)	0%

Finance

Manager: Finance

Business unit profile

Provide specialist accounting, business management, financial governance, financial strategy development, financial modelling and treasury functions to ensure compliance with statutory financial reporting and taxation obligations. Additional functions include levying of rates and charges, payment of creditors and management of procurement, stores and materials required to support Council's works, asset maintenance and Community Service programs.

Key objectives

- Financial Statements to be audited within 4 months of YE (s.416(1))- October 2014
- Audited Financial Statements, ABS return and Financial Data Return to be lodged with DLG and ABS (s.417(5)) - November 2014
- Adoption of Operational Plan and Delivery Program - June 2015
- Quarterly budget reviews submitted to Council (LGGR cl.203(1) - Quarterly
- Long Term Financial Plan modelling - June 2015
- Rating structure reported and adopted by Council - 1 August 2014
- Levy of Rates and charges notices - 1 August 2014

2014/15 Detailed estimate

	Administration	Corporate Finance	Corporate Unallocable	Rates and Debt Management	Supply Services	Draft 2014/15 Budget Estimate	2013/14 Original Budget*	% Movement
Operating revenue								
- Rates and charges			105,542,312			105,542,312		
- User charges and fees			468,320	263,000		731,320	527,206	-39%
- Interest			6,734,553			6,734,553	6857577	2%
- Grants and contributions			11,554,733			11,554,733	13,207,493	13%
- Other operating revenue			4,357,223			4,357,223	5,367,411	19%
Total operating revenue			128,657,141	263,000		128,920,141	25,959,687	-397%
Operating expenses								
- Employee costs	189,546	2,065,625	6,424,713	700,847	1,072,465	10,453,196	22,079,328	53%
- Borrowing costs			3,959,455			3,959,455	4,220,185	6%
- Materials and contracts	12,471	69,225	1,284,714	60,548	222,869	1,649,827	2,073,284	20%
- Depreciation and amortisation		822	3,781,972		1,629	3,784,423	2,799,560	-35%
- Other operating expenses	1,030	34,691	3,500,411	8,680	23,986	3,568,798	4,166,235	14%
- Internal charges	43,105	251,352	(30,491,331)	366,812	270,919	(29,559,143)	(22,793,281)	-30%
Total operating expenses	246,152	2,421,715	(11,540,065)	1,136,887	1,591,868	(6,143,443)	12,545,311	149%
Operating surplus / (deficit)	(246,152)	(2,421,715)	140,197,206	(873,887)	(1,591,868)	135,063,583	13,414,376	-907%

* 2013/14 does not include Corporate Unallocable

Operational activities

Plan Reference	Activities/Projects	Milestone
Corporate Finance		
7.4, CG4	Daily cashflow monitoring and investment and maturity of temporary surplus funds	Ongoing
7.4, CG4	Business administration and development of corporate financial IT systems	Ongoing
7.4, CG4	Business Activity Statement (BAS) lodgment with ATO	Monthly
7.4,CG4	Executive Monthly Performance Report	Monthly
7.4,CG6, CG7	Quarterly review of asset additions and disposals of land, buildings, plant and equipment	Quarterly
7.4,CG3, CG4	Proposed loan borrowings submitted to DLG	July 2014
7.4	Fringe Benefits Tax (FBT) return lodgment with ATO	May 2015
7.4	S355 Local Committee audit	June 2015
Rates and debt management		
7.4, CG3, GC4	Complete, audit and submit Pension Subsidy Claim	September 2014
7.4 CG3, GC4	Complete, audit and submit Statement of Compliance (Annual Rating Return)	November 2014
7.4, CG4	Process quarterly rates instalment notices for issue, monitor overdue accounts, prepare letter of demand file to Mercantile Agent	Quarterly
7.4 CG3, GC4	Annual rate modelling and net rate income estimate	February 2015
7.4 CG3, GC4	Application for notional income adjustment for newly rateable Crown Land to be lodged to Office of Local Government	February 2015
Supply		
7.4	Provision of an effectively managed inventory system to meet the demands of our internal customers	Ongoing
7.4	Identify slow moving and obsolete stock	Quarterly
7.4	Management of Councils creditors to ensure payments are made within trading terms	Ongoing
7.4	Offer a timely value focused service to source goods and services for our internal customers	Ongoing

Business improvement plan and key strategic projects

Plan Reference	Activities/Projects	Milestone
Corporate ordinance		
7.4	Transition general ledger ERP modules	July 2014
Rates and debt management		
7.4	Transition rates/debt management to new ERP modules	April 2015
Supply		
7.4	Transition procurement and inventory to new ERP modules	July 2014

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
Corporate Finance	7.4, CG3, CG4	Investment return in excess of +.05% than UBS Australian Bank Bill index	0.50%
Corporate Finance	7.4, CG4	Completion of management compliance, taxation and statutory returns within designated timeframes	100%
Corporate Finance	7.4	Process 100% of receipt remittances within the same day of receipt	100%
Corporate Finance	7.4	100% accuracy of cash collection receipting service and petty cash float	100%
Corporate Finance	7.4	Distribution of creditor and payroll data within 1 day of receipt	1 day
Corporate Finance	7.4	Bank Reconciliation completed within 3 days of month end	<=3 days
Rates and Debt Management	7.4	Ensure that the percentage of annual charges outstanding more than 90 days is not greater than 2.50%	<2.5%
Rates and Debt Management	7.4	Ensure the average processing time of s603 certificates is equal to or less than 1.5 days	<=1.5 days
Rates and Debt Management	7.4	100% accuracy of Council to LPI land value reconciliation	100%
Supply	7.4	Stock turnover target 4.5 times per year	+4.5
Supply	7.4	Payment of 85% of creditors within 30 days	85%
Supply	7.4	Process 90% of purchase requisitions within 24 hours	90%

Information Technology

Manager: Information Technology

Business unit profile

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

Key objectives

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

2014/15 Detailed estimate

	Administration	Desktop Support Services	Enterprise Architecture	Geospatial Information Services	IT Projects Office	Network Infrastructure Services	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue									
- Rates and charges									
- User charges and fees				541,435			541,435	542,120	0%
- Interest								0	
- Grants and contributions									
- Other operating revenue									
Total operating revenue				541,435			541,435	542,120	0%
Operating expenses									
- Employee costs	177,750	693,683	137,153	538,896	309,379	493,719	2,350,579	2,400,748	2%
- Borrowing costs									
- Materials and contracts	28,979	16,122	1,000	146,978	14,730	986,111	1,193,920	1,190,528	0%
- Depreciation and amortisation		439,479		569	7,354	370,867	818,269	795,504	-3%
- Other operating expenses	1,938	21,759	1,107	17,818	11,818	47,231	101,671	76,891	-32%
- Internal charges	(281,607)	170,798	52,742	154,708	200,680	296,599	593,920	547,628	-8%
Total operating expenses	(72,940)	1,341,841	192,002	858,969	543,961	2,194,526	5,058,359	5,011,299	-1%
Operating surplus / (deficit)	72,940	(1,341,841)	(192,002)	(317,534)	(543,961)	(2,194,526)	(4,516,924)	(4,469,179)	-1%

Operational activities

Plan Reference	Activities/Projects	Milestone
Corporate finance		
CG5, 7.4	Maintain and manage GIS data layers as required by services in Council	January 2015
CG8, 7.4	Provision of support services to Council for GIS data layers. 90% of requests completed to agreed timeline as per Project Charter	90%
CG5, 7.4	Provision of Section 149 Certificates in accordance with Council policy	Within 5 days of request
IT support		
CG8, 7.4	Provision of IT support services to Council business areas	95%
CG6, 7.4	Replacement of corporate IT hardware, progress in accordance with scheduled asset replacement program	100%
CG4, 7.4	Manage IT support contracts in accordance to Council Policies	Annual reviews
CG5, 7.4	Manage mobile technology in accordance with Council Policy, provision of monthly reports to managers	
CG5, 7.4	Manage network and system logons	98% accuracy
CG5, 7.4	Provision of network infrastructure to support Council operations	98%
CG5, 7.4	Provision of network and application backup systems	98%
CG5, 7.4	Support Council's internet and intranet	95%
CG5, 7.4	Support Councils corporate applications	95%
IT project office		
CG4, 7.4	Implement Capital Cost model for IT Projects, 70% of EFT costs assigned to projects as per IMS budget	70%
CG5, 7.4	Manage IT projects in accordance to Council Policy	95% compliance
CG8, 7.4	Deliver IT projects	In accordance with Project Charter
CG5, 7.4	Manage ICT steering committee	Bi-monthly
Treasury		
CG5, 7.4	Develop ICT strategy, 1st draft to steering group	April 2014
CG5, 7.4	Maintain ICT strategy	
CG5, 7.4	Software license management	98% compliance
CG5, 7.4	Manage IT security	TBA

Business improvement plan and key strategic projects

Plan Reference	Activities/Projects	Milestone
Information Technology - all		
CG5, 7.4	Deliver an Integrated (ERP) system to Council	As per Project Plan
CG5, 7.4	Deliver ancillary strategies to support non ERP projects	As per Project Charters

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
GIS	CG5, 7.4	Deliver service and solutions that meet project charter parameters	98%
GIS	CG8, 7.4	Provision of support services to Council for GIS data layers	98% compliance to Project Charters
GIS	CG5, 7.4	Provision of Section 149 Certificates	Within 5 days of request
IT Support	CG8, 7.4	Provision of IT support services to Council business areas	95% of customer requests
IT Support	CG6, 7.4	Replacement of 25% corporate IT hardware	March 2015
IT Support	CG4, 7.4	Implement cash flows for IT support contracts	September 2014
IT Support	CG5, 7.4	Reduce mobile phone fleet 500 services	September 2014
IT Support	CG5, 7.4	Keep network and system logons up-to-date	98% accuracy
IT Support	CG5, 7.4	Network infrastructure 98% availability within agreed service hours	throughout FY
IT Support	CG5, 7.4	Network and application backup systems 98% availability within agreed service hours	throughout FY
IT Support	CG5, 7.4	Support Council's internet and intranet 95% of requests within agreed timeframes as Project Charter	throughout FY
IT Support	CG5, 7.4	Councils Corporate Applications support - 95% of requests within agreed timeframes as per Project Charter	throughout FY
IT Project Office	CG4, 7.4	70% of EFT costs assigned to Projects as per IMS Budget Capital Cost model for IT Projects	upon approval of Carry Forwards
IT Project Office	CG5, 7.4	95% of IT Projects to be managed in accordance to Council Policy	throughout FY
IT Project Office	CG8, 7.4	98% Non ERP projects delivered in accordance with project charters	throughout FY
IT Project Office	CG5, 7.4	Bi-Monthly meetings of ICT Steering Group	throughout FY
Enterprise Architecture	CG5, 7.4	1st draft of ICT Strategy to ICT Steering Group April 2014	April 2014
Enterprise Architecture	CG5, 7.4	98% compliance of software licenses	throughout FY
Enterprise Architecture	CG5, 7.4	Approval of IT Security Framework	December 2014

Human Resources

Manager: Human resources

Business unit profile

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

Key objectives

- Establish an Enterprise Agreement that delivers appropriate business performance outcomes for Council December 2014
- Implement 2014/15 initiatives contained in Council's Workforce Management Plan (2013-17) including: - the Aboriginal Employment Strategy and the Equal Employment Opportunity (EEO) Management Plan- June 2015
- Transition HR to the new ERP System - June 2015
- Establish a Leadership Development Framework that incorporates Culture Change (People and Safety) and Performance Management to deliver a consistent leadership approach across Council - June 2015
- Implement short, medium and long term recommendations arising from the WHS Self Insurers Audit- June 2015

2014/15 Detailed estimate

	Administration	HR Operations	Learning and Development	Organisational Development	Work, Health and Safety	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue								
- Rates and charges								
- User charges and fees							64,371	100%
- Interest							0	
- Grants and contributions			20,000			20,000	234,832	91%
- Other operating revenue								
Total operating revenue			20,000			20,000	299,203	93%
Operating expenses								
- Employee costs	171,377	1,633,052	1,605,646	142,228	3,007,995	6,560,298	7,142,175	8%
- Borrowing costs								
- Materials and contracts	13,284	218,489	83,053	1,388	114,321	430,535	318,595	-35%
- Depreciation and amortisation		4,101	668		32,146	36,915	26,800	-38%
- Other operating expenses	5,797	20,114	403,162	1,362	256,922	687,357	293,432	-134%
- Internal charges	44,533	178,436	403,162	38,469	271,953	936,553	608,661	-54%
Total operating expenses	234,991	2,054,192	2,495,691	183,447	3,683,337	8,651,658	8,389,663	-3%
Operating surplus / (deficit)	(234,991)	(2,054,192)	(2,475,691)	(183,447)	(3,683,337)	(8,631,658)	(8,090,460)	-7%

Operational activities

Plan Reference	Activities/Projects	Milestone
Human Resources		
7.4	Meet all organisational reporting requirements in line with scheduled reporting cycle	> 90%
7.4	Attend assigned group management meetings to provide support, advice and update on HR activities	> 90%
7.4	Provision of timely and accurate advice to managers	> 80% customer satisfaction
Payroll		
7.4	Maintain data input error rate at less than 3%	< 3%
HR operations		
7.4	Manage grievances and disputes in accordance with timelines contained in industrial instruments	> 95%
Recruitment		
7.4	HR elements of the recruitment process to meet agreed timeframes	> 95%

Business improvement plan and key strategic projects

Plan Reference	Activities/Projects	Milestone
HR operations		
7.4	Establish new Enterprise Agreement for Council	December 2014
Human Resources		
7.4	Implement Workforce Management Plan (including AES and EEO)	June 2015
7.4	Implement scheduled HR Modules of ERP	As scheduled
Learning and development		
7.4	Culture, Leadership and Performance Framework developed and being implemented	June 2015
Work health and safety		
7.4	Implement recommendations from WHS Self Insurers Audit	June 2015
Payroll		
7.4	Introduction of fortnightly pay	August 2014

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
Human Resources	7.4	Meet all organisational reporting requirements in line with scheduled reporting cycle	> 90%
Human Resources	7.4	Attend assigned group management meetings to provide support, advice and update on HR activities	> 90%
Human Resources	7.4	Provision of timely and accurate advice to managers	> 80% customer satisfaction
Payroll	7.4	Maintain data input error rate at less than 3%	< 3%
HR operations	7.4	Manage grievances and disputes in accordance with timelines contained in Industrial Instruments	> 95%
Recruitment	7.4	HR elements of the recruitment process to meet agreed timeframes	> 95%
Human Resources	7.4	Meet all organisational reporting requirements in line with scheduled reporting cycle	> 90%

Commercial Property

Manager: Commercial Property

Business unit profile

- Maximise the utilisation and return on investment of operational Council property assets.
- Acquire and dispose of Council's land and building in accordance with the Asset Review and Implementation (ARIP)
- Deliver lease related services for Council's rental portfolio and maintaining the statutory Land Register of all Council owned land.

Key objectives

1. Efficient and effective management of Council's operational and Commercial Property asset portfolio
 - Ensure all Council's commercial assets provide an appropriate Return on Investment (ROI).
 - Manage financial returns and alternative utilisation of surplus Council roads/reserve
 - Operational Management of residential properties and retirement centres.
 - Operational management of commercial properties and vacant land, management of Council use/community use/ Crown land leases.
2. Identify redundant assets for disposal and for the proceeds to be placed in the Land and Property Reserve to assist with reducing the Infrastructure Backlog from \$117m to \$32m. The Land and Property Reserve to be used as a funding source for
 - a) Renewal of key assets identified and prioritised in the Infrastructure Backlog, and
 - b) Reduce/replace debt as an infrastructure backlog funding source.
 - Implement best practice operational practices and commence sale process for retirement centres. Complete by May 2015
 - Completion of 231 King Street project - completion by July 2014
 - Continue Feasibility investigations and develop future site management and ownership options for 292 Wharf Road, Newcastle - completion July 2014. Rezone parcels of operational land at Blackhill site. Lodge planning proposal August 2014
 - Rationalise ownership of properties co-owned with RMS or acquired for classified road purposes - September 2014
 - Develop a strategy to dispose of 3 Northern Ave, Tarro - September 2014
 - Develop a strategy to dispose of 6 University drive, Callaghan - September 2014
 - Develop a strategy to dispose of 195 Denison Street, Islington - September 2014
 - Negotiate and manage sale of 475 Sandgate Road, Shortland
 - Develop a strategy to dispose of 83 University Drive - September 2014
 - Property input on future use of Early Childhood Health Centres - September 2014
 - Reclassify and investigate disposal and/or alternate options for up to 10 surplus community land parcels and then develop a strategy for partial reinvestment of any sale proceeds in parks and recreational land improvement schemes - refer below
3. Create catalyst projects using Council property and in accordance with the Hunter Street master plan
 - Approve (as property owner) major works Development Application for NeWSpace development - September 2014

2014/15 Detailed estimate

	Administration	Beresfield Golf Course	Commercial and Residential Leasing	Stockton Beach Holiday Park	Strategic Property Projects	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue								
- Rates and charges								
- User charges and fees		374,000		2,126,191		2,500,191	2,795,854	11%
- Interest							0	
- Grants and contributions								
- Other operating revenue		17,423	2,359,936		100,000	2,477,359	2,545,299	3%
Total operating revenue		391,423	2,359,936	2,126,191	100,000	4,977,550	5,341,153	7%
Operating expenses								
- Employee costs	271,149				739,530	1,010,679	1,049,722	4%
- Borrowing costs								
- Materials and contracts	21,294	421,748	573,871	908,775	87,255	2,012,943	2,223,784	9%
- Depreciation and amortisation	2,652	12,417	748,932	185,239		949,240	1,104,740	14%
- Other operating expenses	3,000	10,503		126,819	21,000	161,322	147,207	-10%
- Internal charges	99,868	52,797	544,385	124,702	201,778	1,023,530	854,335	-20%
Total operating expenses	397,963	497,465	1,867,188	1,345,535	1,049,563	5,157,714	5,379,788	4%
Operating surplus / (deficit)	(397,963)	(106,042)	492,748	780,656	(949,563)	(180,164)	(38,635)	-366%

Operational activities

Plan Reference	Activities/Projects	Milestone
Administration and management		
CG5, 7.4	Update and maintain data for statutory Land Register. Maintained in accordance with requirements of the Local Government Act Section 53	LG Act 53
CG5, 7.4	Reporting and management of Monthly, Quarterly and Annual budgets and operational plan	Within existing Council parameters
CG5, 7.4	Compilation of Council reports, responses to request for information	Within existing Council parameters
CG5, 7.4	Identify potential issues and strategies with property projects and report to senior management, AAC and Council as required	Within existing Council parameters
Commercial and residential Leasing		
CG4, 7.4	Annual review of return on investment for Council owned commercially leased assets.	\$
CG5, 7.4	Property management* of Council-owned residential property	\$
CG5, 7.4	Property management of Council -owned retirement centres , Implementation of "best practice" operational procedures	On going
CG5, 7.4	Property management of Council-owned Shops and offices	\$
CG5, 7.4	Property management of Council owned premises at Queens Wharf	\$
CG5, 7.4	Property management of other Council-owned (vacant) land and buildings	\$
CG5, 7.4	Property management of Crown Reserves leases where Council is reserve trust manager	\$
CG5, 7.4	Ensure operation procedures are in accordance with emerging Community Leasing Policy	Ongoing
Land and road acquisitions, disposals and transfers		
CG7, 7.4	Manage Road Use (S138) agreements and road closure applications - List is Various S138 Roads Consents and Road Closures	Managed in accordance with Road Act - approx Completed 2015.
Stockton Beach Holiday Park		
CG6, 7.4	Provide an annual contribution to the Coastal Reserve Trust	\$150k per annum
Beresfield Golf course		
CG6, 7.4	The Golf Course operate at cost neutral to the rate payer	\$0 Operating Deficit

Business improvement plan and key strategic projects

Plan Reference	Activities/Projects	Milestone
Strategic property projects		
CG5, 7.4	Coordination and monthly reporting to Asset Advisory Committee	Approval of report recommendations
CG7, 7.4	Project manage completion of demolition project for 231 King Street Newcastle	completion by July 2014
CG7, 7.4	Lodge final planning proposal for rezoning and develop future management and ownership for the Black Hill site	Lodge proposal Aug 2014,
CG7, 7.4	Continue feasibility investigations considering DA determination and develop options for future management and ownership of 292 Wharf Road, Newcastle	Implement Council resolution for future ownership in 2014/15
CG7, 7.4	Project manage reclassification process for up to 10 parcels of surplus community land identified in the open space review 2010 (Group 1 and 2), investigate disposal and/or alternate options and develop a strategy for partial reinvestment of any sale proceeds in parks and recreational land improvement schemes.	Lodge in Aug 2014
CG7, 7.4	Negotiate and manage sale of 83 University Drive, Callaghan	Complete sale by February 2015
CG1, 7.4	Project Meetings with University of Newcastle for redevelopment and completion of sale of 409 Hunter Street for NeWSpace inner city campus	
CG7, 7.4	Project manage rezoning and reclassification of retirement centres	completion by Dec 2014
CG7, 7.4	Commence and project manage EOI and sale process for retirement centres	Commence January 2015
Land and road acquisitions, disposals and transfers		
CG7, 7.4	Negotiate and manage sale of RMS properties. Property transfers to RMS, land swap with RMS, disposal of surplus assets and retention of key assets for Council local road purposes. Project involves rationalisation of ownership of approximately 30 properties	Complete Sale 2014/15
CG7, 7.4	Negotiate and manage sale of 3 Northern Ave, Tarro	Complete Sale 2014/15
CG7, 7.4	Negotiate and manage sale of 6 University Drive, Callaghan	Complete Sale 2014/15
CG7, 7.4	Negotiate and manage sale of 195 Denison St, Hamilton	Complete Sale 2014/15
CG7, 7.4	Negotiate and manage sale of 475 Sandgate Road, Shortland	Complete Sale 2014/15
CG7, 7.4	Completion of 231 King Street road dedication	completion by July 2014
Commercial and residential leasing		
CG5, 7.4	Implementation of best practice operational practices for retirement centres	Implementation by 1/07/2014
Stockton Beach Holiday Park		
CG6, 7.4	Implementation of Council approved Master Plan	Increased return from asset
Beresfield Golf course		
CG6, 7.4	Implement a long term lease arrangement to meet objectives	Outsourced management and maintenance

§ Ensure Council achieves commercially and/ or economically acceptable returns.

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
Strategic Property Projects and Land and Road Acquisitions, Disposals and Transfers	CG7	Net asset sales to land and property reserve over 10 years	10 year target \$62m
Stockton Beach Holiday Park	CG6	Cabins - all accumulated occupancy	>55%
Stockton Beach Holiday Park	CG6	Sites - all accumulated occupancy	>55%
Beresfield Golf course	CG6	The Golf Course operate at cost neutral by Dec 2014	\$0 Monthly Operating Deficit from January 2015

Customer Service

Manager: Customer Service

Business unit profile

- Pro-active and efficient delivery of service excellence via the customer's chosen channel of face to face, telephony, mail or web
- Take the organisational lead in effective and legislative compliant records management
- Provide high quality and timely communications services to both internal and external stakeholders including a pro-active media strategy
- Lead the engagement and consultation activities between the Council and community to maximize alignment
- Facilitate the provision of an efficient in-house printing service.

Key objectives

Pro-active provision of Customer Service excellence

The single most significant driver to improve customer service delivery in the Financial Year 2014/15 will be via the establishment of a Customer Contact Centre (CCC). The following activities will underpin this:

- Establish clear and measureable accountabilities for all key aspects of customer service, including call centre metrics.
- Engage with internal customers to formulate SLA's for the new CCC
- Build consistent and transparent reporting mechanisms to measure the above accountabilities / key drivers of customer experience
- Pro-actively engage with key internal stakeholders to establish clear expectations in relation to what types of enquiries can be managed centrally
- Create a customer centric culture that is committed to first contact resolution.

Improve Council's Records Management System

- Within context of Enterprise Content Management (ECM) upgrade under Enterprise Resource Planning (ERP), assist to embed a higher profile records management culture across The City of Newcastle.
- Finalise and communicate records framework and policies
- Develop an ECM 'champions' programme
- Significant input to the development of a three tier training model for ECM
- Finalise records review actions.

Improve communications and branding internally and externally

- Undertake a media engagement strategy to maximize positive exposure opportunities and effectively manage any potential issues
- Develop and implement a Council services / reputation campaign
- Develop an internal communications plan
- Complete social media audit
- Finalise and implement a social media strategy.
- Undertake a review of publications and signage.

Enhance Council's engagement practice

- Develop and implement a recruitment and retention strategy for Newcastle Voice
- Measure panel member satisfaction
- Increase active participation in the Newcastle Voice program of existing members.

2014/15 Detailed estimate

	Administration	Communication Services	Customer Service	Digital Print Services	Records	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue								
- Rates and charges								
- User charges and fees			1,105	158,288		159,393	155,382	-3%
- Interest							0	
- Grants and contributions								
- Other operating revenue			12,726			12,726	12,622	-1%
Total operating revenue			13,831	158,288		172,119	168,004	-2%
Operating expenses								
- Employee costs	189,817	877,946	760,030	153,824	540,609	2,522,226	2,504,694	-1%
- Borrowing costs								
- Materials and contracts	12,250	254,388	12,800	(7,755)	76,291	347,974	175,515	-98%
- Depreciation and amortisation			25,446	9,564	41,594	76,604	65,508	-17%
- Other operating expenses	2,500	59,100	14,000	5,417	256,500	337,517	283,229	-19%
- Internal charges	56,914	206,404	224,320	113,535	232,898	834,071	560,902	-49%
Total operating expenses	261,481	1,397,838	1,036,596	274,585	1,147,892	4,118,392	3,589,848	-15%
Operating surplus / (deficit)	(261,481)	(1,397,838)	(1,022,765)	(116,297)	(1,147,892)	(3,946,273)	(3,421,844)	-15%

Operational activities

Plan Reference	Activities/Projects	Milestone
Customer services		
3.1,CG5	Once Customer Contact Centre project is operationalised, pro-actively strive to provide 'first contact resolution' for all agreed level 1 customer interactions at the CCC and through the main switchboard	See KPI (note: Revised Call centre metrics to be established when contact centre launched)
7.4	Process mail applications	See KPI
Records		
7.4	Process inward correspondence to Council via hard copy and email	See KPI
3.1,CG5	Respond to requests for assistance with ECM	See KPI
	Manage archival information - including the provision of historical information to internal customers. This reflects the full archive service that includes storage, retrieval, sentencing and disposal activities	See KPI
7.4	Maintain Council's corporate records system ECM	See KPI
Communications		
7.4	Pro-actively identify and guide the management of both positive media exposure opportunities and potential issues	See KPI
3.1,CG5	Issue a quarterly Council newsletter to all ratepayers	See KPI
7.4	Provide consistent brand platforms for all Council material	See KPI
3.1,CG5	Maintain content generation and support for Council's internet and intranet	See KPI

Business improvement plan and key strategic projects

Plan Reference	Activities/Projects	Milestone
Customer service		
3.1,CG5	Implement a Customer contact centre – the efficient management of level 1 enquiries across Council (both face to face and telephony enquiries)	31-Mar- 15
Records		
7.4	As part of ERP / ECM enhancement, complete > 75% of official document capture	30-Jun-15
Customer service		
	Development of a customer service training program	31-Dec-14
Digital Print Service		
7.4	Strategic and operational review of Digital Printing Services	30-September 2014
Communications		
7.4	Develop and implement training for online content coordinators	31-August 2014

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
Customer Service	3.1,CG5	80% of counter customers served within five minutes	> 80%
Customer Service	3.1,CG5	Average counter wait time under three minutes	< 3 mins
Customer Service	3.1,CG5	Average wait time on the switch under 30 seconds	<30 seconds
Records	3.1,CG5	All urgent correspondence processed the same working day as received	1 day
Records	3.1,CG5	All correspondence processed within 48 hours of receipt	48 hours response time
Communication	3.1,CG5	Improved satisfaction in the community survey questions relating to 'informing residents about Council activities'	>5% improvement
Communication	3.1,CG5	Delivery of communications plans within budget	FY15 Budget
Community consultation	3.1,CG5	Improved satisfaction in the community survey question 'community involvement in Council decision making'	>5% improvement

Infrastructure

	Civil Works	Director - Planning	Facilities and Recreation	Infrastructure Planning	Projects and Contracts	Waste Management	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue									
- Rates and charges	83,237					19,805,618	19,888,855	19,875,432	
- User charges and fees	389,343		2,077,112	133,028	14,700	31,952,581	34,566,764	24,779,383	-39%
- Interest								0	
- Grants and contributions	4,706,772		64,753	454,441	228,752	5,000	5,459,718	5,280,272	-3%
- Other operating revenue	22,000		122,178			353,014	497,192	477,548	-4%
Total operating revenue	5,201,352		2,264,043	587,469	243,452	52,116,213	60,412,529	50,412,635	-20%
Operating expenses									
- Employee costs	15,407,182	356,895	14,614,395	4,926,420	2,246,875	5,702,962	43,254,729	42,482,366	-2%
- Borrowing costs									
- Materials and contracts	4,041,787	65,271	7,183,577	8,741,696	301,199	14,930,813	35,264,344	39,272,084	10%
- Depreciation and amortisation	4,886,672	7,198	5,875,685	24,146,035	3,124	282,711	35,201,425	44,927,748	22%
- Other operating expenses	73,230	5,234	152,225	68,927	39,255	23,079,445	23,418,315	15,364,332	-52%
- Internal charges	4,892,410	105,716	8,109,924	1,518,274	850,591	1,020,326	16,497,241	12,759,750	-29%
Total operating expenses	29,301,281	540,314	35,935,807	39,401,352	3,441,044	45,016,257	153,636,055	154,806,280	1%
Operating surplus / (deficit)	(24,099,929)	(540,314)	(33,671,764)	(38,813,883)	(3,197,592)	7,099,956	(93,223,526)	(104,393,645)	11%

Infrastructure Director

	Administration	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue				
- Rates and charges				
- User charges and fees				
- Interest				
- Grants and contributions				
- Other operating revenue				
Total operating revenue				
Operating expenses				
- Employee costs	356,895	356,895	345,046	-3%
- Borrowing costs				
- Materials and contracts	65,271	65,271	63,748	-2%
- Depreciation and amortisation	7,198	7,198	5,602	-28%
- Other operating expenses	5,234	5,234	5,101	-3%
- Internal charges	105,716	105,716	54,427	-94%
Total operating expenses	540,314	540,314	473,924	-14%
Operating surplus / (deficit)	(540,314)	(540,314)	(473,924)	-14%

Infrastructure Planning

Manager: Infrastructure Planning

Business unit profile

- Undertake asset strategic planning, coordinate, develop and implement strategic infrastructure and natural resource planning, coordinate the planning and design delivery of all rehabilitation and renewal activities for road, built and environmental assets, manage the development and implementation of the Major Asset Preservation Program
- Provide a multi disciplinary design service, surveying and CAD services, as well as specialist advice and implementation of policies and guidelines to manage traffic and transport in the City.

Key objectives

Pro-active provision of customer service excellence

- Implement MAP and Capital works programs. Continue work on Merewether Public domain and extend into Bar Beach
- Start work on Nobbys to Newcastle Grant and Council funded works
- Continue improvement in working relationship with Building and Development team particularly around section 138 approvals and standard drawings.

2014/15 Detailed estimate

	Administration	Asset Management	Civil Design	Infrastructure Planning	Landscape Architects	Survey	Traffic and Transport	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue										
- Rates and charges										
- User charges and fees							133,028	133,028	129,458	-3%
- Interest									0	
- Grants and contributions	454,441							454,441	443,920	-2%
- Other operating revenue										
Total operating revenue	454,441						133,028	587,469	573,378	-2%
Operating expenses										
- Employee costs	191,142	3,021,855	418,900	461,572	124,909	220,960	487,082	4,926,420	5,363,164	8%
- Borrowing costs										
- Materials and contracts	4,120,375	4,282,545	69,054	135,495	8,867	52,614	72,746	8,741,696	7,692,930	-14%
- Depreciation and amortisation	7,740	24,088,331	4,046	987	1,950	19,261	23,720	24,146,035	34,651,273	30%
- Other operating expenses	2,771	23,139	10,942	10,890	3,218	8,361	9,606	68,927	36,244	-90%
- Internal charges	115,377	656,312	235,810	129,940	133,918	130,164	116,753	1,518,274	1,206,032	-26%
Total operating expenses	4,437,405	32,072,182	738,752	738,884	272,862	431,360	709,907	39,401,352	48,949,643	20%
Operating surplus / (deficit)	(3,982,964)	(32,072,182)	(738,752)	(738,884)	(272,862)	(431,360)	(576,879)	(38,813,883)	(48,376,265)	20%

Operational activities

Plan Reference	Activities/Projects	Milestone
Asset management		
7.4	Deliver the 2013/14 Major Asset Preservation (MAPP) program	See KPIs
7.4	Prepare 2014/15 MAPP program	See KPIs
7.4	Provide detail for the statutory reports	See KPIs
7.4	Schedule 7 Public Infrastructure	See KPIs
7.4	ABS Construction Survey	See KPIs
1.3	FAG Grant returns	See KPIs
1.3	ALGA Roads Returns	See KPIs
5.1	Provide comment on DA's and Section 138 Works as required	See KPIs
5.1	Review and comment on selected public utility and development works in public domain areas of the City.	See KPIs
1.3	Develop and deliver the civil capital works program including cycle ways, PAMP, traffic facilities and grant funded works.	See KPIs
1.2	Implement the cycle ways SRV projects	See KPIs
1.3	Prepare, lodge and manage grant applications and works including R 2 R, RMS Blackspot and 3 by 3 programs.	See KPIs
5.1	Review and comment on public utility and development works in public domain areas of the City	See KPIs
7.4	Review and update asset data related to assets managed by unit	See KPIs
5.1	Prepare, manage and make available specifications and plans and drawings relating to the construction of public assets	See KPIs
Asset planning		
2.1	Attend the HROC Environmental Directors Forum	See KPIs
1.1	Participate in the Lower Hunter Councils Transport forum group	See KPIs
1.2	Facilitate the Cycle Working party	See KPIs
2.1	Coordinate the Coastal renewal Consultative Committee (CCRCC)	See KPIs
2.2	Coordinate and facilitate the Floodplain Committee	See KPIs
2.2	Plan and develop transport, environmental, flooding and other related strategies in conjunction with other units.	See KPIs
2.3	Coordinate and facilitate the Environmental Advisory committee	See KPIs
Traffic and transport		
1.1	Manage the Newcastle City Traffic Committee agenda	See KPIs
1.1	Provide comment, from a traffic and transport perspective, on new civil and landscape works and developments providing new civil and landscape works	See KPIs
1.1	Provide comment on major planning, RMS and Transport for NSW proposals that impact on Newcastle	See KPIs
1.1	Undertake the approved program of local traffic studies, including development of plan, community consultation, reporting to NCTC and Council	See KPIs
1.1	Liaise with RMS on new developments with the State Road Network	See KPIs
Civil services		
7.4	Prepare plans for delivery of civil capital and renewal works to be undertaken by RAMS and others	See KPIs
7.4	Undertake private, RMS and allowable grant funded work on a full cost recovery basis	See KPIs
7.4	Prepare plans for delivery of landscape, capital and renewal works to be undertaken by RAM, PRS and others	See KPIs
Survey		
7.4	Provide survey services to support the Design, Landscape Architect teams investigate and prepare the capital and renewal works program.	See KPIs
2.2	Provide survey services for concept, planning and strategic planning development. E.g. detailed survey of Hunter Street for SPS and Department of Planning and Environment, flood mapping survey for SPS	See KPIs
5.1	Provide survey services to support Council construction activities.	See KPIs
7.4	Provide survey services for quantities and other necessary activities for other areas of Council. For example monitoring volume changes at Summer Hill and Astra Street.	See KPIs

Business improvement plan and key strategic projects

Plan Reference	Activities/Projects	Milestone
Traffic and transport		
1.3	Review workload in the traffic section and undertake inspections and reports to NCTC and Council on a risk management basis	Revised process developed and implemented by January 2015
Asset management		
5.1	Restructure asset planning activity to incorporate capital and renewal works. This process to include process maps, work flows and boundaries.	Absorb Infrastructure Planning team into Asset management by December 2014
7.4	Develop with financial management a more rigorous link between asset deterioration and depreciation.	Completed by June 2015
5.1	Complete standard drawings and specifications for 90% of public infrastructure	Completed by June 2015
Civil services		
7.4	Benchmark service delivery against other providers	Completed by June 2015
Infrastructure planning		
7.4	Transfer new teams and staff into new unit, develop process maps and guidelines for all activities and map processes and workflows	Completed by December 2014
7.4	Implement our responsibilities under the ERP	December 2015

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
Asset management	7.4	Deliver the 2014/15 Major Asset Preservation (MAPP) program	95% complete
	7.4	Prepare draft 2015/16 MAPP	Draft complete January 2016
	5.1	Deliver the 2014/15 civil component of Built Infrastructure program (Excluding SRV)	95% complete
	5.1	Prepare draft 2015/16 civil component of the Built Infrastructure program (Excluding SRV)	Draft complete February 2016
	1.1	Improve rideability of road network	Reduce road roughness by 1 NAASRA count
	7.4	Undertake programmed maintenance planning inspections	50% of local and 100% of hierarchy inspected by June 30 2015
Asset planning	2.2	Deliver coastal SRV program for 2014/15	95% complete
Traffic and transport	7.4	Manage NCTC items and meetings	11 meetings
Civil services	7.4	Prepare plans and specifications for internal works undertaken by Civil Works unit	100% of program completed
Survey	7.4	Provide survey as requested within agreed timeframes	100%

Civil Works

Manager: Civil Works

Business unit profile

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

Key objectives

- Meet targets and KPI's for maintenance and project works
- Benchmark against government and non-government entities across the Business Units to attain improvements and savings
- Improve WHS performance .

2014/15 Detailed estimate

	City Greening	City Wide Services	Construction	Depot Administration	Fleet and Workshop	Road Maintenance
Operating revenue						
- Rates and charges		83,237				
- User charges and fees						389,343
- Interest						
- Grants and contributions		3,063,000	1,030,000		613,772	
- Other operating revenue	22,000					
Total operating revenue	22,000	3,146,237	1,030,000		613,772	389,343
Operating expenses						
- Employee costs	899,703	4,494,223	2,368,654	988,186	2,072,904	4,583,512
- Borrowing costs						
- Materials and contracts	926,700	5,075,326	298,121	305,933	(6,493,361)	3,929,067
- Depreciation and amortisation	9,034	7,468	1,460	28,837	4,839,140	733
- Other operating expenses	5,932	(4,301)	19,915	12,457	21,539	17,688
- Internal charges	421,715	1,736,313	700,186	485,225	512,413	1,036,558
Total operating expenses	2,263,084	11,309,029	3,388,336	1,820,638	952,635	9,567,558
Operating surplus / (deficit)	(2,241,084)	(8,162,792)	(2,358,336)	(1,820,638)	(338,863)	(9,178,215)

2014/15 Detailed estimate Cont.

	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue			
- Rates and charges	83,237		
- User charges and fees	389,343	408,291	5%
- Interest		0	
- Grants and contributions	4,706,772	4,736,778	1%
- Other operating revenue	22,000	16,000	-38%
Total operating revenue	5,201,352	5,161,069	-1%
Operating expenses			
- Employee costs	15,407,182	15,941,588	3%
- Borrowing costs			
- Materials and contracts	4,041,787	3,623,725	-12%
- Depreciation and amortisation	4,886,672	4,631,599	-6%
- Other operating expenses	73,230	86,661	15%
- Internal charges	4,892,410	3,990,230	-23%
Total operating expenses	29,301,281	28,273,803	-4%
Operating surplus / (deficit)	(24,099,929)	(23,112,734)	-4%

Operational activities

Plan Reference	Activities/Projects	Milestone
Road maintenance		
1.3	Complete programmed, reactive and cyclic maintenance works for the city's road and road reserve infrastructure	Complete works on time, meet Council's standards and to community satisfaction
Construction		
1.3,5.1,3.1	Deliver allocated works from MAPPs, capital projects, and Grant programs.	Complete works on time, meet Council's standards and to community satisfaction
Classified roads		
1.3	Complete programmed and routine maintenance works on the State Road and Regional Road Network to RMS specifications	Complete works on time, meet Council's standards and to community satisfaction
Fleet management		
1.3	Complete programmed, reactive and cyclic maintenance works for the city's road and road reserve infrastructure	Complete works on time, meet Council's standards and to community satisfaction

Business improvement plan and key strategic projects

Plan Reference	Activities/Projects	Milestone
Road maintenance		
1.3	Benchmark road maintenance services; develop and implement guidelines for the maintenance of natural waterways and drainage structures	Complete benchmarking; completion of guidelines and reduction in instances of nuisance flooding
Construction		
7.4	Review and implement a quality control system for in-house works	Review standards and implement ITPs
City presentation		
7.4	Introduce and monitor cyclic maintenance programs for all areas within City Presentation	Complete cyclic programs and review effectiveness after each cycle.
City presentation		
7.4	Benchmark each service provided by the Mechanical Workshop	Complete benchmarking on a priority basis

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
Road maintenance	1.3	Complete programmed and reactive maintenance works.	90% completion of programmed works. Reactive works completed within 30 days
Construction	1.3, 5.1, 3.1	Deliver allocated works from MAPPs, capital projects, and Grant programs	Construct or commenced 100% of completed designs.
Classified road maintenance	1.3	Complete programmed and routine maintenance works on the State Road and Regional Road Network to RMS specifications	100% completion of programmed and routine works programs
City presentation	2.1	Complete cyclic maintenance programs	100% completion of cyclic programs
City greening	2.1	Complete tree inspection program in accordance with Council's City Wide Maintenance Policy.	Complete 3000 tree inspections per year

Projects and Contracts

Manager: Projects and Contracts

Business unit profile

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

Key objectives

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

2014/15 Detailed estimate

	Administration	Contracts Management	Environmental Projects Management	Projects Management	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue							
- Rates and charges							
- User charges and fees		700	14,000		14,700	15,790	7%
- Interest							
- Grants and contributions			228,752		228,752		
- Other operating revenue							
Total operating revenue		700	242,752		243,452	15,790	-1442%
Operating expenses							
- Employee costs		417,988	211,071	1,617,816	2,246,875	2,353,782	5%
- Borrowing costs							
- Materials and contracts		23,600	135,459	142,140	301,199	483,916	38%
- Depreciation and amortisation		419		2,705	3,124	316	-889%
- Other operating expenses		5,736	1,065	32,454	39,255	15,711	-150%
- Internal charges		153,193	63,448	633,950	850,591	352,666	-141%
Total operating expenses		600,936	411,043	2,429,065	3,441,044	3,206,391	-7%
Operating surplus / (deficit)		(600,236)	(168,291)	(2,429,065)	(3,197,592)	(3,190,601)	0%

Operational activities

Plan Reference	Activities/Projects	Milestone
Contracts management		
CG1	Process 100% of tenders/contracts within 30 days of request	See KPI
CG5	Manage rolling program of two-year recurring contracts	Complete by 30 June 2015
CG5	Ensure Council complies with its tendering obligations under the Local Government (General) Regulations 2005, the DLG Tendering Guidelines, Council's Procurement Policy and ICAC guidelines	No adverse findings by ICAC or DLG
CG8	Provide in-house staff training in contracts management as required by the LandD Unit	Deliver at least 3 training sessions per year
CG1,5	Maintain statutory reporting of tenders, contracts and contracts financial commitments	31 August 2014
CG1,5	Maintain Council's Contracts Register in accordance with the Local Government Act	Register kept up to date within one month
Project management		
CG1	Conduct Project Planning. Receive the project brief and develop key project documentation using the Project Management Governance Framework.	Receive Briefs and Plan project delivery
CG1	Complete Design activities within the Project Brief and to the satisfaction of the project stakeholder group.	Design Review Complete
CG1	Manage On-site works in WHS Compliant manner to deliver benefits to the community.	Reach Practical Completion/Occupation of works.
CG1	Conduct contracting for the delivery of goods and services including tendering, awarding and managing contracts.	Contracts Tendered, Issued and Completed(Closed)
Energy and resource management		
CG6	Delivery of energy efficiency projects under the federally funded Smart Buildings Smart workforce program	See KPI
CG5,6,8	Development and maintenance of a utilities management system	See KPI
CG6	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 Action Plan	See KPI
CG2,8	Delivery of business sector energy and resource management projects in accordance with the Newcastle 2020 Carbon and Water Management Action Plan	See KPI
CG2,5	Delivery of the Energy Hunter Program, EUA Program and other grant funded projects	See KPI

Business improvement plan and key strategic projects

Plan Reference	Activities/Projects	Milestone
Contracts management		
CG5	Review and update Council's Procurement Policy	30 October 2014
CG5	Review and update Contract Administration Guidelines	30 January 2015
CG5	Implement the business mapping / workflows for the ERP Contracts Management module and migrate associated data	Dependent upon ERP Project timelines
Project management		
CG5	Process Mapping our involvement in the Project Planning (including budget) process	
CG5	Achievement of Team Action Plan	
CG5	Review of Service Delivery and Resourcing Model	
Energy and resource management		
CG5,6,8	Implement utilities measurement management system	31-December 2014

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
Contracts management	CG2	Process 100% of tenders within 30 days of request	Tenders completed within 30 days
Contracts management	CG2	Provide specialist advice / assistance to staff in drafting and managing contracts	>80% satisfaction rating from customers
Project management	CG2	Collate and report for benchmarking and Ongoing management - Establish earned value targets	>80%
Project management	CG2	Milestone achievement (planning, design, tender practical completion, closure)	>90%
Project management	CG2	Customer satisfaction to handover (process)	>80%
Project management	CG2	Customer satisfaction to closure (quality of product)	>80%
Energy and resource management	CG2	Successful completion of milestones for grant funded programs in accordance with timelines set by Federal and State governments	Completion of milestone by due date
Energy and resource management	CG2, 6	Delivery of projects to achieve increased energy and resource efficiency	≥ 5 projects completed

Facilities and Recreation

Manager: Facilities and Recreation

Business unit profile

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

Key objectives

Open space services

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

Bushland projects

- Deliver all projects in accordance with POM's, VMP's and bushland technical manual.
- Ensure projects are delivered on time and within budgets.
- Promote The City of Newcastle Landcare and assist volunteers to improve bushland health.
- Implement the Bushfire Risk management plan to reduce fire risk to The City of Newcastle residents.
- Promote and develop Blackbutt Reserve to ensure visitors gain an educational and enjoyable experience.
- Deliver the Blackbutt Upgrade project to improve and add to existing infrastructure

Building trades services

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

Cemeteries

- Provide a dignified and responsive cemetery and memorialisation service to the community
- Provide well maintained cemetery grounds for quiet and safe remembrance of the deceased
- Offer equitable access to burial sites to all members of the community

- Considering diverse religious, ethnic and cultural backgrounds when making decisions relating to cemeteries including planning for the future use of cemeteries
- Provide conditions in cemeteries which have regard to minimising any risk to health or safety of persons working in or entering cemeteries

Park services

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

Aquatic services

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

Graffiti

- Maintain graffiti removal from Council assets in accordance with specified timelines
- Provide advice and assistance to ratepayers within the LGA on matters of graffiti
- Keep abreast of graffiti removal products and techniques to enhance prompt and efficient removal
- Create partnerships within the community to combat graffiti hot spot areas

Administrative buildings management

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

2014/15 Detailed estimate

	Aquatics - Beaches and Bathing	Aquatics - In Land Pools	Administration	Administrative Building Services	Building Trades	Bushland	Cemeteries
Operating revenue							
- Rates and charges							
- User charges and fees		1,148,456	10,053			302,500	106,597
- Interest							
- Grants and contributions						22,000	
- Other operating revenue		33,470				2,000	
Total operating revenue		1,181,926	10,053			326,500	106,597
Operating expenses							
- Employee costs	1,221,384	1,083,569	1,680,286	1,239,889	2,269,348	961,202	73,662
- Borrowing costs							
- Materials and contracts	201,098	963,941	847,033	(312,045)	2,621,300	429,821	70,343
- Depreciation and amortisation	756,084	441,678	1,251,727	941,349	5,377	66,788	1,825
- Other operating expenses	6,169	22,026	30,181		51,123	7,990	910
- Internal charges	890,658	585,549	2,069,100	836,309	1,398,797	270,358	54,913
Total operating expenses	3,075,393	3,096,763	5,878,327	2,705,502	6,345,945	1,736,159	201,653
Operating surplus / (deficit)	(3,075,393)	(1,914,837)	(5,868,274)	(2,705,502)	(6,345,945)	(1,409,659)	(95,056)

	Community Halls	Graffiti	Open Space	Parks	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue							
- Rates and charges							
- User charges and fees	36,000		473,506		2,077,112	2,122,722	2%
- Interest						0	
- Grants and contributions		25,753	17,000		64,753	94,574	32%
- Other operating revenue	6,000		80,708		122,178	81,681	-50%
Total operating revenue	42,000	25,753	571,214		2,264,043	2,298,977	2%
Operating expenses							
- Employee costs	112,635	879,092	852,382	4,240,946	14,614,395	13,001,171	-12%
- Borrowing costs							
- Materials and contracts	96,751	198,977	141,455	1,924,904	7,183,577	8,485,074	15%
- Depreciation and amortisation	265,345	8,942	10,221	2,126,349	5,875,685	5,574,643	-5%
- Other operating expenses	900	4,522	15,056	13,348	152,225	143,198	-6%
- Internal charges	288,771	177,509	270,416	1,267,544	8,109,924	6,521,920	-24%
Total operating expenses	764,402	1,269,042	1,289,530	9,573,091	35,935,807	33,726,006	-7%
Operating surplus / (deficit)	(722,402)	(1,243,289)	(718,316)	(9,573,091)	(33,671,764)	(31,427,029)	-7%

Operational activities

Plan Reference	Activities/Projects	Milestone
Open space		
SG2	Review and update Plans of Managements and Policies for the Facilities and Recreation Services unit	Ongoing
SG2	Implement recreation infrastructure improvement program	complete by 30 June 2015
SG2	Liaise with sporting groups, committees, community	Ongoing
SG2	Plan for the provision and development of sport and recreation infrastructure through the implementation of the Parkland and Recreation Strategy	Ongoing
Bushland		
CG1	Deliver the Blackbutt SRV project	December 2014
CG3	Income generation, sponsorship for Blackbutt	June 2014
CG5	Deliver effective customer service for Blackbutt	Monthly
CG5	Captive wildlife management	December 2014
CG5	Implement the bushfire risk management plan	October 2014
CG5	Service provide environmental works within LGA	December 2014
Building trades services		
7.4	Maintain, repair and enhance Council's building asset portfolio and provide 24 hour emergency repair service to instances of vandalism, break-in and storm damage on Council-owned buildings	Complete June 2015
7.4	Deliver allocated project work from the MAPP	Complete June 2015
Administrative buildings management		
7.4	Provide high cleaning and customer service to both internal and external customers	See KPI's
7.4	Provide security access to 15 Council Sites; Manage Security contract and security operations across Council; provide security advice and installation of innovative electronic solutions	See KPI's
7.4	Provide high standard of catering and customer service for meetings/conferences to both internal and external customers	See KPI's
Cemeteries		
CG5	Review, approval and processing of Cemetery burial permit, burial licence, permit to work and monumental work applications including site inspections	See KPI
CG5	Review, approval and processing of Niche Wall and Memorial Garden Suite approvals including coordination, collection of ash remains, client meetings, plaque / plinth approvals and delivery of ashes to installer	See KPI
CG5	Response to family history enquires	See KPI
CG7	Coordination, compliance and business control including management, maintenance and development of Councils three cemeteries	
Parks		
CG6	Develop and implement renovation programs for sporting grounds including topdressing, fertilizing, spraying weeds, aeration	August 2014
CG6	Develop and implement mulching program for mature trees, garden beds, rose gardens	September 2014
CG6	Maintain Council Playgrounds in accordance with the Australian standards and within budget	June 2015
CG2	Continue to work with community groups, sporting groups, volunteers to maintain Councils Parks and Reserves	June 2015
CG2	Plan and implement two seasonal annual floral displays at 6 prime locations across the City i.e. King Edward Park, Civic Park, Christie Place, Rowland Park, Lambton Park and Gregson Park	June 2015
Aquatics		
CG3	Timely recruitment of casual and fixed term aquatic staff	October 2014
CG3	Regular meetings with Hunter Surf Life Saving	Ongoing
CG3	Review Feedback from roving lifeguards	April 2014
Graffiti		
CG1, 5	Maintain intervention levels for graffiti removal as per Graffiti Removal Strategy	Ongoing
CG5	Improve data capture and improve reporting methods on activities	Ongoing
CG1, 8	Develop bus shelter cleaning program for the entire LGA	September 2014

Business improvement plan and key strategic projects

Plan Reference	Activities/Projects	Milestone
Open space services		
SG2	Develop Public Recreation Use Policy	June 2015
SG2	Coordinate and project manage the delivery of International Children's Games	January 2015
SG2	Commence planning of a district sport and recreation complex to serve the long term needs of the growing Western Corridor – June 2015	June 2015
SG2	Review sports facility public utility costs	June 2015
SG2	Review the future of small parks under 0.2ha in size	June 2015
SG2	Implement recommendations outlined within the Parkland and Recreational Strategy	June 2015
Blackbutt Reserve		
CG5	Improve events/activities booking system	December 2014
CG5	Deliver projects in house	June 2014
3.1	Deliver the Blackbutt SRV projects in accordance with the adopted Plan of Management	June 2015
3.1	Design & construct a new amenities building at Carnley Avenue recreation area	June 2015
3.1	Design & construction of a Wildlife Arena for the Wildlife exhibit area	June 2015
3.1	Increase water quality & habitat with pond fringe works including aquatic vegetation at Carnley Avenue pond	June 2015
Building trades services		
5.1	Maintain, repair and enhance Council's building asset portfolio and provide 24 hour emergency repair service to instances of vandalism, break-in and storm damage on Council-owned buildings	Complete June 2015
5.1	Deliver allocated project work from the MAPP	Complete June 2015
Administrative buildings management		
7.4	Continual improvement of processes and work methods to increase productivity and reduce cost of service	Constant review of Cleaning practises and Service Level Agreement
7.4	Update of Titan Security Software to bring Council Security up to current technologies and implement improvements	August 2014
7.4	Upgrade Titan Access Control Software	August 2014
7.4	Implementation of Electronic Keying pilot	August 2014
7.4	Review Provision of Security Contract with a view to taking it to market test	October 2014
7.4	Implement pilot programme for Electronic keying of nominated community halls with a view to expanding the project across Council over the next 5-10years	Warabrook and Elernmore Vale Community Centres online by July 14
Cemeteries		
CG5	Migrate all Council's hardcopy burial records to an electronic database	1-January 2016
CG7	Continue development of lawn sections within Cemeteries for both Wallsend and Stockton	Ongoing
CG3	Create and implement Business Plan which improves operating statement	1-January 2016
CG3	Monitor and regulate cemetery operations through the Hunter Councils Cemetery Taskforce including future burial needs in NSW to ensure people continue to have equitable access to cemetery services	Ongoing
Park services		
CG	Use the electronic data on Park Assets, develop work programs to maintain assets above condition 7	June 2015
CG	Prepare the Strategic Asset Management Plan for Park assets to meet the IP&R guidelines	June 2015
CG	Identify and implement process improvements in the Parks operation team	June 2015
CG	Develop parkland and recreation facility service levels which are aligned with facility role and provide operational efficiencies	June 2015
Aquatic services		
CG3	Review fees and charges for swimming centres	December 2014
CG5	Promote customer focused aquatic services	Customer feedback
CG3	Review operations of swimming centres	December 2014

Plan Reference	Activities/Projects	Milestone
3.1	Review the strategic provision of aquatic facilities within the LGA	June 2015
3.1	Investigate opportunities to improve the financial sustainability of swimming pools.	June 2015
3.1	Implement the resolution of Council regarding the management of Council's Inland Pools.	June 2015
Graffiti removal		
CG1	Conduct thorough review of inspection methodology to ensure maximum utilisation of resources	All assets and areas receive routine inspection
CG2	Work with BIA's to secure more funding from their budgets for graffiti removal.	Additional funds sourced to improve graffiti removal in commercial areas.

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
Open space services	SG2	Complete 70% MAPPS/ recreation projects	June 2015
Open space services	SG2	Complete 50% High priority actions from the Parkland and Recreation Facilities Strategy	June 2015
Bushland services		Increase volunteers hours within bushland services	19000 hrs
Bushland services	CG2	Bushfire risk mitigation works delivered	October 2014
Bushland services	CG3	Increase income by 5%	Increase by \$14,250
Building trades services		Deliver 90% of MAPPS programme allocation. (Typically the programme increases approx 34% during the year)	See KPI
Building trades services	7.4	Deliver 90% of routine maintenance and repair works within 30 days of request	See KPI
Building trades services	7.4	Deliver 100% of statutory testing and inspection schedules, specifically fire performance measures, vertical transport, pressure vessels, electrical appliances and tools items, height access systems fitted to buildings, legionella testing to cooling tower	See KPI
Building trades Services	7.4	Sign off 100% of all Annual Fire Safety Statements for Council buildings as required	See KPI
Building trades services	7.4	Resource all after hours repair work deemed to be an emergency	See KPI
Cleaning buildings, amenities and conveniences	7.4	Number of complaints from customers	Nil
Cleaning buildings, amenities and conveniences	7.4	Inspection of sites by Administrative Buildings Coordinator and Asset Operator	Each site every 3 months
Security services	7.4	Ensure Council receives value for money service provision from contracted security provider	Monthly meeting with client manager.
Security services	7.4	Ensure services are being completed by receiving daily data probe report and monitoring reports	100%
Security services	7.4	Complete regular back-up of Titan Security/Access control system to ensure system integrity	100% completed weekly
Civic Precinct window Cleaning	7.4	Ensure Council receives value for money service provision from contracted service provider	Quarterly meeting with client manager and site inspection of cleaning.
Civic Precinct window Cleaning	7.4	Ensure Council receives value for money service provision from contracted service provider	Biannual meeting with client manager and site inspection of cleaning.
Cemeteries	CG5	Develop and implement a suite of policies and procedures in line with contemporary management practices in the industry	< 10 formal complaints per year
Cemeteries	CG5	Process and respond to Cemetery requests and enquiries within five working days	5 day response time
Park services	CG	Monitor community feedback in relation to Park maintenance service level changes as part of Council's continuing process improvement and budget constraints	2014/15 target is same level of complaints as 2013/14
Park services	CG	Delivery of overall services is within allocated budget	meets budget
Aquatic services	CG3	Delivery of Swimming Centres services within budget	Meets Budget
Aquatic services	CG3	Delivery of Beach and Ocean Baths services within budget	Meets Budget

Waste Management

Manager: Waste Management

Business unit profile

- Provide an efficient and effective waste management service.

Key objectives

- Maintain short to midterm surplus above \$4.5 million
- Maintain waste compaction ratio to a minimum 1:1 (not including soils)
- Increase recycling activities to improve waste recycling performance against State targets
- Invest in significant infrastructure to reduce the reliance on Landfill as a solution to waste disposal in the medium to long term
- Integrate waste management services to align key objectives
- Develop a Waste Management Strategy and delivery timeframe aligned to the Regional and State waste management objectives
- Improve domestic waste recycling activities and increase resident's participation in waste diversion activities.

2014/15 Detailed estimate

	Administration	Education Services and Business Development	Recycling and Resource Recovery	Waste Collection	Waste Disposal and Landfill	Draft 2014/15 Budget Estimate	2013/14 Original Budget	% Movement
Operating revenue								
- Rates and charges		165,456		11,623,379	8,016,783	19,805,618		
- User charges and fees			100,418	2,936,006	28,916,157	31,952,581	22,103,122	-45%
- Interest							0	
- Grants and contributions		5,000				5,000	5,000	0%
- Other operating revenue			307,559	45,455		353,014	379,867	7%
Total operating revenue		170,456	407,977	14,604,840	36,932,940	52,116,213	22,487,989	-132%
Operating expenses								
- Employee costs	565,938	97,850		3,226,140	1,813,034	5,702,962	5,477,615	-4%
- Borrowing costs								
- Materials and contracts	59,513	45,250		7,971,554	6,854,496	14,930,813	18,922,691	21%
- Depreciation and amortisation	47	1,101		126,535	155,028	282,711	64,315	-340%
- Other operating expenses	17,070	1,026		34,130	23,027,219	23,079,445	15,077,417	-53%
- Internal charges	111,505	61,593	38,397	510,195	298,636	1,020,326	634,475	-61%
Total operating expenses	754,073	206,820	38,397	11,868,554	32,148,413	45,016,257	40,176,513	-12%
Operating surplus / (deficit)	(754,073)	(36,364)	369,580	2,736,286	4,784,527	7,099,956	(17,688,524)	140%

Operational activities

Plan Reference	Activities/Projects	Milestone
Waste disposal, recycling and treatment		
CG3/4, 2.1	Increase inputs and secure waste via contracts	Ongoing
CG3/4, 2.1	Investigate regional synergies and /or partnerships for waste infrastructure opportunities and investment	February 2015
CG6, 2.1	Increase compaction ratios to a minimum of 85:1	June 2015
CG6, 2.1	Invest in improved storm water and leach ate management systems	September 2015
CG6, 2.1	Invest in access road improvements and investigate option of Link road access	December 2015
CG4/6, 2.1	Develop systems to better manage amortisation of void space and asset depreciation.	January 2015
CG 2/3/4/5/6/8, 2.1	Invest in new waste management technology to further increase recycling rates and extend landfill lifespan	July 2015
CG 2/4 ,2.1	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.	July 2015
CG5, 2.1	Develop improved performance monitoring and reporting systems to ensure waste capture rates and data is accurate	November 2014
CG8, 2.1	Ensure education team attend training and development sessions which assist in capacity building, developing best practice and improving the understanding of the psychology behind waste and recycling behaviours.	Ongoing
Waste collection		
CG3/4,2.1	Seek improvements in waste collection methods and vehicles to reduce overall cost of service	Ongoing
CG5, 2.1	Improve data capture and improve reporting methods on activities	November 2014
CG7, 2.1	Conduct thorough review of collection rounds to ensure maximum utilisation of collection fleet	January 2015
CG5, 2.1	Set clear KPI's which look to improve waste collection systems and reduce instances of missed bins, contaminated loads, overloaded and underweight vehicles	October 2014
CG8, 2.1	Develop training program which looks to reduce the fuel consumption in collection vehicles	March 2015
CG5, 2.1	Review bulk waste voucher system to improve overall satisfaction with system	July 2015
CG5, 2.1	Implement comingled recycling in all MUD sites	July 2015
CG5/7,2.1	Continue roll out of in house collections to all MUD sites	July 2015

Business improvement plan and key strategic projects

Plan Reference	Activities/Projects	Milestone
Waste disposal, recycling and treatment		
CG3 / CG4, 2.1	Identify and implement weighbridge reporting and transaction management software	1-July 2015
CG 2/3/4/5/6/8, 2.1	Develop and construct new recycling facility to increase diversion of waste from landfill	July 2016
Waste education		
CG2, 2.1	Develop waste management strategy and policy which aligns with TCoN Waste Avoidance and Resource Recovery Policy, State Government and regional targets and aspirations.	February 2015
Waste collection		
CG 2/5/7, 2.1	Develop a waste collection strategy and policy which incorporates both Council service standards and service users rules.	February 2015

Key performance indicators

Service	Plan Reference	KPI/Performance Measure	2014/15 Target
Waste disposal, recycling and treatment	CG3/4, 2.1	Improve surplus of Summerhill Waste Management Centre	\$4.5 million
	CG6, 2.1	Improve compaction ratio	85:1 (without soils)
	CG 2/3/4/5/6/8, 2.1	Implementation of recycling program to sort and process C&D waste into recovered products.	7Kt of products recovered
Waste education	CG 2/4, 2.1	Improve dry recycling rate	
	CG 2/4, 2.1	Improve diversion of food waste from landfill	
Waste collections	CG5, 2.1	Seek improvements in waste collection methods and vehicles to reduce overall cost of service and increase customer satisfaction	No more than one missed service, per vehicle, per day
	CG5, 2.1	Reduce instances of over and under weight vehicles	All load weights maximised
	CG2/3, 2.1	Reduce fuel usage	Reduction in fuel usage - TBC%
	CG5, 2.1	Reduce instances of dumped waste and improve customer satisfaction	Improved customer satisfaction - TBC%
	CG5, 2.1	Comingled recycling collection service implemented in all MUD sites - increased recycling and reduced waste to landfill	100% implementation



Capital Works

Strategic Direction	Asset Suburb	Project Description	2014/15 Budget
Civil Works			
Liveable and distinctive built environment	Newcastle	City Hall - provide pigeon control baiting system	\$1,000
Liveable and distinctive built environment	Newcastle	Queens Wharf Tower - wash down steel structures/tower and pedestrian bridge - recurrent every six months (April/May and October/November)	\$4,000
Vibrant and activated public places	Stockton	Stockton North/South pontoon - Carry out certified inspection/certification	\$8,000
Liveable and distinctive built environment	City wide	Various buildings - inspect and certify roof anchor systems - recurrent	\$10,000
Liveable and distinctive built environment	City wide	Various Council buildings - termite treatment using baiting systems - recurrent	\$10,000
Liveable and distinctive built environment	Newcastle East	Upgrade wayfinding (directional) and instructional signs - Renew Fort Scratchley old wayfinding and instructional signs	\$10,000
Vibrant and activated public places	Newcastle	Civic Theatre - replace the Bar 2 customer service bench top	\$10,000
Vibrant and activated public places	Islington	Passmore Oval grandstand repair - repair works exterior of Grandstand	\$120,000
Vibrant and activated public places	Lambton	Retaining wall replacement - Lambton and Griffith Road	\$30,000
Liveable and distinctive built environment	Newcastle	Civic Theatre - repair and paint walls, ceilings and skirting boards of dressing room corridors and green room	\$10,000
Vibrant and activated public places	Newcastle	Civic Theatre - reupholster lounge chairs and sofa in Civic Theatre foyer	\$15,000
Liveable and distinctive built environment	Newcastle	Civic Theatre Playhouse - repair and paint all surface area of Playhouse rehearsal room	\$15,000
Liveable and distinctive built environment	Newcastle	Civic Theatre Green Room - paint room and corridors	\$20,000
Liveable and distinctive built environment	City wide	Various buildings - monitor fire alarms - Provide Ongoing Automatic Fire Panel monitoring to approximately 10-12 of maintained sites as required to satisfy relevant BCA requirements - recurrent	\$20,000
Liveable and distinctive built environment	City wide	Various public toilets - repaint - recurrent	\$20,000
Caring and inclusive community	City wide	Various Swim Centres - masonry repairs	\$25,000
Caring and inclusive community	Newcastle West	No1 Sportsground - upgrade scoreboard including painting and replacement of roller grilles as required	\$25,000
Liveable and distinctive built environment	Newcastle West	Community Arts Centre Building B - repaint and repair aluminium and timber windows, doors and eaves	\$30,000
Caring and inclusive community	City wide	Various Swim Centres - maintain painted surfaces. - winter pool maintenance	\$35,000
Liveable and distinctive built environment	Newcastle	Civic Theatre - paint external timber doors, windows and fixtures	\$40,000
Vibrant and activated public places	New Lambton	Harker Oval Grandstand - repaint exterior and interior	\$40,000
Liveable and distinctive built environment	Newcastle	Civic Theatre - repair and Paint all surface area in the main office area - undertaken out of normal office hours.	\$45,000
Liveable and distinctive built environment	City wide	Various buildings - maintain portable fire equipment. - Inspect, test and repair portable fire fighting equipment to AS 1851 installed within Council maintained buildings. Includes approximately 2000 individual hose reels, extinguishers and fire blankets - recurrent	\$60,000
Liveable and distinctive built environment	City wide	Various buildings - fire assessments required to ensure buildings meet statutory compliance in regards to assessing fire safety equipment. Reports will form the basis for any repairs or upgrade of non conforming items and allow programming of maintenance standards until such time as DA or change of use - recurrent. Assessments required to ensure buildings meet statutory compliance in regards to assessing fire safety equipment.	\$65,000

Strategic Direction	Asset Suburb	Project Description	2014/15 Budget
Liveable and distinctive built environment	City wide	Various buildings - fixed fire equipment - fire suppression systems, smoke detection, fire panels, dampers, fire seals, hydrants, backflow and booster connections - recurrent	\$70,000
Liveable and distinctive built environment	City wide	Various parks - replace water systems	\$80,000
Liveable and distinctive built environment	City wide	Various Council buildings - undertake hazardous materials testing	\$100,000
Commercial Property			
Liveable and distinctive built environment	City wide	Commercial and Rented Properties - maintenance management of commercial and rented properties - recurrent	\$5,000
Cultural Facilities			
Caring and inclusive community	Cooks Hill	Art Gallery - cultural asset preservation of rare art works - recurrent	\$25,000
Projects and Contracts			
Vibrant and activated public places	Newcastle	Civic Park Fountain - repairs to fountains patina including waxing	\$5,000
Vibrant and activated public places	City wide	Public Art - maintenance of public art - recurrent	\$10,000
Caring and inclusive community	City wide	Various parks - upgrade canteens to BCA standards and health handling standards	\$100,000
Caring and inclusive community	City wide	Various parks - upgrade and update public toilets	\$120,000
Caring and inclusive community	Wickham	Hawkins Oval - Perimeter fence replacement	\$60,000
Caring and inclusive community	New Lambton	Blackley Oval - renew existing sporting amenities	\$300,000
Connected city	Newcastle	King Street Car Park - Structural assessment	\$50,000
Connected city	Newcastle	King Street Car Park - Access equipment	\$350,000
Caring and inclusive community	City wide	Various monuments - General repair and preservation works to Newcastle monuments - recurrent	\$100,000
Vibrant and activated public places	Newcastle	City Hall - rehabilitate and refurbish amenities	\$60,000
Caring and inclusive community	Stockton	Stockton Library -totally replace carpet tiles, safety issues, total interior repainting	\$40,000
Caring and inclusive community	Kotara	Kotara Park Community Hall - demolish and do not replace	\$60,000
Caring and inclusive community	Adamstown	Adamstown Library -toilet block demolition and installation of temporary toilet	\$70,000
Caring and inclusive community	Newcastle	Church Walk - repair retaining walls	\$120,000
Liveable and distinctive built environment	Newcastle	Fred Ash Building - Replacement of all existing AC plant with a central chilled and heating water system. This component is for the building modifications on the roof of Fred Ash to accept the AC equipment. The renewal of AC equipment is in BAS renewal of Air Conditioning	\$150,000
Caring and inclusive community	Newcastle	Cathedral Park - retaining wall repairs	\$200,000
Caring and inclusive community	Waratah	Waratah Grandstand - replace roof	\$300,000
Liveable and distinctive built environment	Newcastle	Fred Ash - repair facade to waterproof and remove steel elements.	\$300,000
Caring and inclusive community	Merewether	Merewether Baths - restoration	\$400,000
Connected city	Newcastle	King Street Car Park- mechanical and electrical renewal	\$500,000
Liveable and distinctive built environment	Newcastle	Museum -repair and replace gutters, gutter linings, louvres, glass and roof sheeting as required. A report Produced by GHD (June2013) identifies the scope of work required, proposed approach and estimate of costs. Estimate in June 2013 (ex PM costs) \$602,000	\$650,000

Strategic Direction	Asset Suburb	Project Description	2014/15 Budget
Caring and inclusive community	Merewether	Henderson Park Community Hall - Concept planning	\$5,000
Vibrant and activated public places	Newcastle	City Hall- Tower facade restoration	\$4,600,000
Facilities and Recreation			
Caring and inclusive community	City wide	Various Swim Centres - shade sail replacement	\$5,000
Liveable and distinctive built environment	City wide	Various buildings - maintain flash flood detection equipment at various sites. 10 Year project.	\$9,000
Caring and inclusive community	City wide	Various playgrounds - playground audit - engage an external contractor to assess and document the condition of Councils playgrounds	\$10,000
Caring and inclusive community	City wide	Various Swim Centres - maintain plant	\$12,000
Caring and inclusive community	Wallsend	Summerhill Administration building - repaint all internal area's of building	\$15,000
Caring and inclusive community	City wide	Various parks - upgrade public access power	\$15,000
Caring and inclusive community	City wide	Various parks - restore cricket wickets as required - recurrent	\$20,000
Caring and inclusive community	City wide	Various parks - replace BBQs	\$20,000
Vibrant and activated public places	Newcastle	Civic Theatre - upgrade to low voltage light globes	\$20,000
Vibrant and activated public places	City wide	City wide - testing and upgrading of electrical control systems at various locations	\$20,000
Caring and inclusive community	Wallsend	Wallsend Pioneer Hall - Sand and clear coat timber floor	\$25,000
Liveable and distinctive built environment	Newcastle	CAC - rehabilitate building wiring. - Removal of redundant building wiring and installation of cable trays	\$30,000
Caring and inclusive community	City wide	Various parks - inspect steel floodlighting poles. - Inspection and testing of steel poles associated with floodlighting systems, security lighting and overhead aerial power supplies	\$40,000
Liveable and distinctive built environment	Newcastle East	Master Gunners Cottage - repair and repaint all Master Gunner's Cottage external walls, door, windows and boundary fence to a presentable order	\$40,000
Caring and inclusive community	City wide	Various parks - Upgrade/replace floodlighting in parks – recurrent	\$40,000
Caring and inclusive community	New Lambton	New Lambton Community Centre - repair and repaint exterior (all external surfaces)	\$40,000
Liveable and distinctive built environment	Newcastle	Fred Ash - refurbish liftcar to include provision for disabled access	\$45,000
Liveable and distinctive built environment	Newcastle	City Hall - elevator lift shaft safety repairs. - Stage 1 was completed in 2013/14 which was to refurbish the interior and exterior of the elevator car and improve car operating panel to fulfil handicap norms. Stage 2 - in 2014/15 the lift shaft needs repair for safety due to risk management strategies	\$60,000
Caring and inclusive community	City wide	Various parks - Inspect and replace and/or remove condemned timber poles - recurrent	\$60,000
Caring and inclusive community	City wide	Various parks - Open space sporting ground renovation program - recurrent	\$60,000
Caring and inclusive community	Mayfield	Mayfield Pool - Pool sand filter tank rehabilitation 1. repair the pipe work and replace the Mushroom heads 2. remove the old sand, repair the filter tank waterproof the tank. 3. replace the sand.	\$60,000
Caring and inclusive community	New Lambton	Blackbutt Reserve - upgrade wildlife enclosures -Koala and bird aviaries - upgrade of fire fighting system. installation of hydrants, fire hose, fire housing box, spray nozzles	\$80,000
Liveable and distinctive built environment	City wide	Various buildings - upgrade safety switches in Various buildings, libraries, daycare centres, community centres, parks amenities, beaches and pools amenities	\$100,000
Vibrant and activated public places	City wide	Lovett Gallery, Local Studies, Laman Street Cultural Centre - Lovett Gallery repaint entire 2nd floor (Lovett Gallery and Local Studies) re-carpeting of entire area.	\$100,000
Caring and inclusive community	Wallsend	Wallsend Park - upgrade of floodlighting system to meet code requirements, including new floodlight poles and fittings and underground electrical infrastructure	\$100,000

Strategic Direction	Asset Suburb	Project Description	2014/15 Budget
Caring and inclusive community	Lambton	Lambton Swim Centre Grandstand - replace grandstand roof materials as per option 2 recommendation on Sunbow appraisal and quotation dated 11/03/2010	\$120,000
Caring and inclusive community	Wickham	Hawkins Oval - upgrade floodlighting system to meet code requirements, including new floodlight poles and fittings and underground electrical infrastructure	\$150,000
Caring and inclusive community	Newcastle West	National Park Athletic Track - upgrade/demolish toilets	\$150,000
Liveable and distinctive built environment	City wide	Various roofwater drainage systems -programmed maintenance for cleaning and minor repairs of gutters and downpipes to nominated list (approximately 100) of TCoN owned buildings - recurrent yearly	\$180,000
Vibrant and activated public places	Cooks Hill	Art Gallery- window replacement	\$200,000
Caring and inclusive community	Shortland	Tuxford Park - upgrade of floodlighting system to meet code requirements, including new floodlight poles and fittings and underground electrical infrastructure	\$200,000
Caring and inclusive community	Newcastle West	National Park No 4 Sportsground - renew existing sporting amenities building	\$300,000
Liveable and distinctive built environment	City wide	Various buildings - renew air conditioning systems	\$300,000
Caring and inclusive community	Lambton	Kilpanie Road Reserve Lambton - replace playground as per 2013 audit	\$50,000
Caring and inclusive community	Maryland	Tumpoaba Reserve Maryland - replace playground as per 2007 audit	\$50,000
Caring and inclusive community	Minmi	Minmi Reserve Minmi - replace playground as per 2013 audit	\$50,000
Caring and inclusive community	Warabrook	Cedrella Creek Reserve Warabrook - replace playground as per 2013 audit	\$50,000
Caring and inclusive community	Lambton	Lambton Pool - renew Solar pool heating due to deterioration	\$70,000
Caring and inclusive community	Newcastle	CAC - facade inspection and window cleaning - recurrent	\$42,000
Caring and inclusive community	City wide	Various buildings - annual lock replacement programme for Council buildings - recurrent annually	\$80,000
Caring and inclusive community	Lambton	Lambton Library - Renew floor coating	\$25,000
Infrastructure Planning			
Connected city	City wide	Various bridges - programmed bridge investigation and maintenance - recurrent	\$10,000
Connected city	City wide	City wide - retaining walls, tunnels and bridge surveys for monitoring or detail surveying	\$10,000
Liveable and distinctive built environment	Adamstown	Adamstown Senior Citizen Centre - replace roof	\$30,000
Caring and inclusive community	City wide	City wide - renewal of property boundary fencing city wide - excludes ordinance fencing	\$150,000
Liveable and distinctive built environment	City wide	Engineering advice - general	\$150,000
Caring and inclusive community	Cooks Hill	War Memorial Cultural Centre - cultural asset preservation - asset preservation of rare books - recurrent	\$10,000
Vibrant and activated public places	Newcastle	Civic Theatre - Replace old and damaged carpet in Bar 2, Stage Door and Production office	\$30,000
Protected and enhanced environment	Shortland	Astra Street Former Landfill Site - groundwater, surface water and gas monitoring Report and Natural Attenuation and Ongoing Modelling Report to DECCW (NSW EPA) in accordance with Voluntary Management Plan.	\$20,000
Caring and inclusive community	Mayfield	Mayfield Community Centre Hub - Concept planning to renew library and community centre at Mayfield	\$6,000
Caring and inclusive community	Adamstown	Adamstown Community Hub - concept planning/design to replace the existing buildings. This projects includes resolution of the heritage associated with the existing toilets and the tree issues. It includes the technical specifications and drawings	\$6,000

Strategic Direction	Asset Suburb	Project Description	2014/15 Budget
Caring and inclusive community	Minmi	Minmi Community Hall - concept planning to replace the community hall. This projects includes resolution of the heritage associated with the existing toilets and the tree issues. It includes the technical specifications and drawings	\$6,000
Caring and inclusive community	Beresfield	Beresfield Community Hub - concept planning to replace library, senior citizens, public toilet, allied health spaces at 41/43 Lawson Avenue Beresfield	\$6,000
Total buildings and structures			12,975,000
Civil Works			
Connected city	Cooks Hill	Laman Street Cooks Hill - footpath resurfacing Laman Street Cooks Hill odd side from Corlette to Union Street	\$30,000
Connected city	City wide	City wide Bus Seats - bus seat repainting	\$10,000
Connected city	City wide	City wide Bus Shelters - bus Shelter repainting and re-glass on site approximately eight per year	\$50,000
Connected city	City wide	City wide Guard Rail - rehabilitation of deteriorated or failed guard rails	\$150,000
Connected city	City wide	City wide ordinance fencing - repainting	\$30,000
Connected city	City wide	Various footpaths - footpath repairs at delivery drop off zones and where repairs are required beyond the scope of maintenance	\$100,000
Connected city	City wide	City wide road signs and lines - replacement linemarking and delineator replacement	\$150,000
Connected city	City wide	City wide Roadside Furniture - repainting of various roadside furniture, seats, bins	\$25,000
Connected city	City wide	City wide Street Sign - rehabilitation of street and suburb signs	\$45,000
Connected city	City wide	Regional Roads Parking Lane - resurfacing of parking lanes on Regional Roads in conjunction with RTA resurfacing works	\$91,000
Connected city	City wide	Road resurfacing - heavy patching	\$535,000
Connected city	City wide	Road resurfacing - kerb and gutter replacement	\$700,000
Connected city	City wide	Road resurfacing - maintenance of work	\$30,000
Connected city	City wide	Various footpaths - redundant crossing removal program - remove and reinstate footpath and kerb and gutter	\$10,000
Connected city	City wide	Road resurfacing - pavement Investigations	\$100,000
Connected city	City wide	Road resurfacing - maintenance of data and testing of pavements, road roughness survey and rejuvenation testing	\$120,000
Connected city	City wide	Road resurfacing - pavement patching	\$75,000
Connected city	City wide	Road resurfacing - programmed patching	\$75,000
Connected city	City wide	Road resurfacing - rejuvenation	\$585,000
Connected city	City wide	Road resurfacing - site preparation	\$70,000
Connected city	City wide	Road resurfacing - sub soil drainage	\$200,000
Connected city	City wide	Road resurfacing - tipping fees TAR	\$250,000
Connected city	City wide	Road resurfacing - traffic control	\$15,000
Connected city	City wide	Road resurfacing - crack sealing of bitumen and concrete road surfaces	\$200,000
Connected city	Wallsend	Waste Management - rehabilitation of access roads at the Waste Management and undertake repairs as required such as resurfacing, heavy patching, reconstruction	\$100,000
Connected city	Islington	Fern Street Islington - resurfacing Fern Street Islington, Hubbard Street to Beaumont Street -	\$176,000
Connected city	Hamilton East	Bibby Street Hamilton - Bibby Street Hamilton, Samdon Street to Graham Road - footpath rehabilitation	\$400,000
Connected city	Adamstown	Park Avenue Adamstown - resurfacing Dibbs Street to Noel	\$100,000
Connected city	City wide	Various roads - laneway resurface and reconstruct - gravel and seal	\$100,000
Connected city	Wallsend	Illoura Street Wallsend - shared pathway resurfacing - Resurfacing of existing asphalt shared pathway and sub surface drainage on East West Cycle way between Illoura Street and Victory Parade Wallsend. Existing asphalt surface is in very poor condition	\$35,000

Strategic Direction	Asset Suburb	Project Description	2014/15 Budget
Connected city	Newcastle	King Street Newcastle - footpath rehabilitation - King Street Newcastle (south side) from Crown Street to Perkins Street - replacement asphalt, pavers and concrete	\$250,000
Connected city	Hamilton East	Tudor Street Hamilton - road rehabilitation Stage 1 - Road rehabilitation in Tudor Street Newcastle West between Parry and Hunter Streets both sides, also Tudor Street Hamilton north side between Belford and Steel Streets. Replacement of road pavement and installation of asphalt wearing surface, kerb and gutter and median repairs	\$615,000
Connected city	Beresfield	Lawson Avenue Beresfield - road rehabilitation Lawson Avenue Beresfield between Anderson Drive and Boomerang Street	\$200,000
Connected city	Hamilton East	Tudor Street Hamilton East - median replacement stage 1 - Tudor Street Hamilton East between Parkway Avenue and Gordon Avenue - Stage 1 Replacement of median in conjunction with median planting of replacement trees	\$391,000
Connected city	Cooks Hill	Parkway Avenue Cooks Hill – resurfacing Mill and Fill 40mm AC14 at Parkway Avenue Cooks Hill from Darby Street to Bruce St	\$35,000
Connected city	City wide	Road resurfacing - resealing - City wide resealing of various roads	\$500,000
Connected city	Stockton	Pitt Street Stockton - resurfacing Mill and Fill 30mm AC10 Pitt Street Stockton from King Street to Pacific Street	\$25,000
Connected city	Hamilton	Beaumont Street Hamilton South - resurfacing Dumaesq to Jenner - Resurfacing Mill and Fill 30mm AC10 Beaumont Street Hamilton South from Dumaesq to Kemp, Kemp to Alexander, Alexander to Park and Park to Jenner	\$120,000
Connected city	Adamstown	Fletcher Street Adamstown - resurfacing Mill and Fill 30mm AC10 Fletcher Street Adamstown from William to Ninth	\$65,000
Connected city	Stockton	Wharf Crescent Stockton - resurfacing Mill and Fill 30mm AC10 Wharf Crescent Stockton from Pitt to Newcastle	\$15,000
Connected city	Stockton	Wharf Crescent Stockton - resurfacing Mill and Fill 30mm AC10 Wharf Crescent Stockton from South to Mitchell	\$15,000
Connected city	Warrbrook	Warabrook Boulevard Warabrook- resurfacing Mill and Fill 30mm AC10 Rhyolite roundabout Warabrook Boulevard Warabrook at Hakea	\$80,000
Connected City	Mayfield	Chruch St Mayfield - resurfacing - Resurfacing Mill and Fill 40mm AC14 Churhc St Mayfield fromk Crebert St to Pitt St	\$60,000
Connected City	Newcastle	Shortand Esplanade Newcastle East - road, footpath and fencing rehabilitation in conjunction with the Bathers Way delivery.	\$800,000
Connected City	Merewether	Dixon Park Merewether - cycleway replacement	\$150,000
Connected City	Merewether	Ocean and Livingstone Streets Merewether - road rehabilitation	\$120,000
Connected City	Merewether	Fellowes and Lockyer Streets Merewether - road rehabilitation	\$200,000
Connected City	Kotara	Park Ave Kotara road rehabilitation from Seaview St to Howell St	\$235,000
Connected City	Lambton	Lambton Road - laneway rehabilitation Rehabilitation of Lambton lane between Greta and Wallarah Roads	\$100,000
Connected City	Broadmeadow	Melville and Gosford Roads - footpath rehabilitation Replacement of concrete footpath around Arthur Park in Melville and Gosford Roads	\$35,000
Connected City	Merewether	Morgan St Merewether - road rehabilitation Rehabilitation of existing pavement east of Myamblah Cresnet (west connection) for 100m	\$60,000
Connected City	Rankin Park	Elizabeth Cook Drv Rankin Park - road rehabilitation	\$100,000
Connected City	Carrington	Young St Carrington - rehabilitation design	\$20,000
Facilities and Recreation			
Connected city	City wide	City wide ordinance sign - rehabilitation and replacement of information and ordinance signage	\$30,000
Connected city	City wide	City wide roadside furniture - replacement of roadside seating	\$25,000
Connected city	City wide	City wide Ordinance Fence - repair or replace selected fencing to agreed standard details as required and based on condition assessment. Wherever replacing posts to use new recycled plastic type where possible	\$150,000
Infrastructure Planning			
Connected city	City wide	Various Footpaths - accessibility program - Construct new and rehabilitate old pram ramps	\$35,000

Strategic Direction	Asset Suburb	Project Description	2014/15 Budget
Connected city	City wide	City wide Bus Seats – rehabilitation or replacement of stolen or damaged bus seats across the city	\$20,000
Connected city	Merewether	Patrick Street Merewether - replacement of deteriorated and broken concrete road pavement slabs in conjunction with pedestrian crossing replacement works	\$175,000
Connected city	City wide	City wide - design of road infrastructure to facilitate future renewal	\$50,000
Connected city	City wide	City Wide - survey of road infrastructure	\$30,000
Connected city	Cooks Hill	Darby Street Cooks Hill - footpath design for rehabilitation of footpath, kerb and road surface in Darby Street Cooks Hill between Swan and Bull Streets	\$35,000
Connected city	Hamilton East	Bibby Street Hamilton - footpath rehabilitation design for Bibby Street Hamilton between Graham Road and Samdon Street	\$10,000
Connected city	Cooks Hill	Brown Street The Hill - replace poor condition asphalt and concrete footpath with concrete in conjunction with replacement of failed timber ordinance fencing	\$75,000
Connected city	Merewether	Burwood Street Merewether - resurfacing - Resurfacing mill and fill 30mm AC10 Burwood Street Merewether between Helen Street and Rowlands Street	\$32,000
Connected city	New Lambton	Tyrone Road New Lambton - resurfacing mill and fill 30mm AC10 Tyrone Road New Lambton between Hobart Road and end	\$25,000
Connected city	Adamstown	Lexington Parade Adamstown Heights - resurfacing 50mm AC14 Lexington Parade Adamstown Heights between Park Avenue and Princeton Avenue including Park Avenue Kotara between Kulliaaba Road and Lexington Parade	\$65,000
Connected city	City wide	City Wide - rehabilitation and replacement of city wide roadside fencing	\$25,000
Connected city	City wide	City wide Bus Shelters - relocation or removal of existing redundant shelters. Rehabilitation or replacement of existing bus shelters	\$60,000
Connected city	City wide	Various cycle ways - linemarking, signage and bollard removal program	\$130,000
Connected city	City wide	Mayfield Swim Centre Car Park - resurfacing - Transport stop upgrades at various identified sites throughout the LGA	\$200,000
Connected city	Wallsend	Wallsend Park - design for the rehabilitation/replacement of footpath through Wallsend Park between Thomas Street and Cowper Street Wallsend	\$20,000
Connected city	Cooks Hill	Queen Street Cooks Hill - footpath rehabilitation investigation and design options for footpath, kerb and tree replacement in Queen Street Cooks Hill between Darby Street and Dawson Street	\$10,000
Projects and Contracts			
Connected city	Newcastle	Shortland Esp Newcastle East - road embankment monitoring and investigation of Shortland Esplanade Newcastle East between Zaara Street and Moroney Avenue above north east corner of Newcastle Beach	\$20,000
Connected city	Merewether	Kilgour Avenue Merewether - reconstruct carpark footway - Reconstruct Bathers way footway at beach carpark off Kilgour Avenue Merewether in conjunction with Coastal Revitalisation Implementation	\$50,000
Connected city	Newcastle	Shortland Esplanade Newcastle East - road formation stabilisation - Road formation - stabilisation of embankment of Shortland Esplanade Newcastle East between Newcastle Ocean Baths and Zaara Street. Forms Stage 2 of identified works, Stage 1 above Newcastle Ocean Baths completed 2011/2012	\$600,000
Connected city	Merewether	Dixon Park Beach car park - resurfacing of Dixon Park Beach car park off Ocean Street and Livingston Streets	\$80,000
Connected city	Cooks Hill	Cathedral Park The Hill - footpath rehabilitation - Replacement of existing concrete footpath, kerbing and handrails within Cathedral Park	\$75,000
Total transport program			\$10,350,000
Civil Works			
Protected and enhanced environment	City wide	Various Stormwater Drainage - construction of access to existing stormwater drainage systems for inspection and maintenance	\$50,000
Protected and enhanced environment	Mayfield West	City wide - Community Urban Forest Program for planting in parks. To cover the Ongoing planting and maintenance of Stevenson Park off Gregson Street Mayfield West	\$25,000
Protected and enhanced environment	City wide	City wide - Street and Park tree replacement program - Various sites City wide to meet public tree replacement demand and strategic precinct planting, includes material and staff resources. Program will maintain previous plantings, whole of street replacement projects (various) and high visibility/use sites. Major precinct planting to include: Tree Asset Management Plan priorities	\$980,000
Protected and enhanced environment	City wide	Various Stormwater Drainage - replacement of stormwater drainage grates to current standard	\$80,000

Strategic Direction	Asset Suburb	Project Description	2014/15 Budget
Facilities and Recreation			
Protected and enhanced environment	Newcastle	King Edward Park and The Obelisk - Themeda restoration - Restoration of the Endangered Ecological Community Themeda Grasslands in King Edward Park and The Obelisk. This work in conjunction with Coastal Masterplan \$20,000 for Themeda conservation eg signage and land use practice changes	\$10,000
Protected and enhanced environment	City wide	Various Sites - preservation and restoration of coastal vegetation (including fencing and revegetation works) sites at Pirate Point Stockton (extension of riparian planting), Pitt Street Reserve Stockton (extension of coastal revegetation areas in accordance with the South Stockton Domain Plan).	\$80,000
Protected and enhanced environment	Stockton	Hunter River Foreshore Stockton - foreshore revegetation protect Hunter River foreshore at priority erosion sites along Stockton peninsula in line with rock revetment works	\$40,000
Protected and enhanced environment	City wide	Various sites - reinstatement of wetland fringe profiles and revegetation to improve wetland condition at priority site across the city	\$50,000
Protected and enhanced environment	City wide	Coastline - dune preservation and restoration - Preservation and restoration of coastal dunes (including fencing and revegetation works)	\$70,000
Protected and enhanced environment	Elmore Vale	Croudace Road - Creek riparian rehabilitation Chinese gardens - Rehabilitate weed infested gully line 60m immediately adjacent to Ironbark Creek off Croudace Road (adjacent to historic chinese gardens)	\$30,000
Protected and enhanced environment	Kotara	Blackbutt Reserve - bushland regeneration - Bushland regeneration and restoration investment for previous works sites including: Blamey Avenue Reserve, Echidna Creek at James Road, Ridgeway Road entry, Richley Reserve wetland overflow and entry road crossing, Wetland planting around Rainforest Creek wetland and targeted high priority catchments	\$25,000
Protected and enhanced environment	Stockton	Stockton Cemetery - vegetation management - Works as defined in Stockton Cemetery Vegetation Management Plan (2013) to ensure groundwater levels and bushland condition ratings are maintained	\$10,000
Protected and enhanced environment	Elmore Vale	Dangerfield Drive bush regeneration - Track and trail restoration works to prevent erosion and sedimentation issues both on-site and from downstream impacts. Ensure RFS and hazard reduction works can be completed as per program works	\$15,000
Protected and enhanced environment	Kotara	Marshall Street North Reserve - weed removal - Complete weed removal using bush regeneration methods to ensure return on investment in creek rehabilitation and revegetation works completed previously are maximized. Expect external contract	\$15,000
Protected and enhanced environment	Rankin Park	George McGregor Reserve - bushland regeneration - Undertake weed removal and bush regeneration in George McGregor Reserve as per requirements as land manager	\$10,000
Protected and enhanced environment	Elmore Vale	Cambridge Drive Reserve - weed removal and bush regeneration from Sygna Close to McCaffery Drive Elmore Vale to improve creek condition and bushland resilience	\$15,000
Protected and enhanced environment	City wide	Council Reserves - maintenance of drainage sites - undertake works on biodiversity sites and quality control devices as per works orders issues by Infrastructure Management Services in Councils Reserves	\$115,000
Protected and enhanced environment	Elmore Vale	Aries Way Reserve - creek rehabilitation - ensure the investment in open channels work and road side vegetation is maintained	\$15,000
Protected and enhanced environment	New Lambton Heights	Jesmond Park - undertake primary bush regeneration and spot weeding in Jesmond Park	\$20,000
Protected and enhanced environment	City wide	Various Reserves - - undertake bush regeneration (Primary and Secondary) at priority sites as per the Bushland Asset Inventory Report 2009	\$50,000
Protected and enhanced environment	Elmore Vale	Ironbark Creek, Elmore Vale Reserve Site 1 and 2 - Rehab - Rehabilitation works as per the Elmore vale Reserve Rehabilitation Plan 2010 for Ironbark Creek and Bluewren Creeks Stages 1 - 3 inclusive. This project addresses asset protection works required withing Elmore Vale Reserve for soccer, skating and drainage assets. In 2015 the project delivers riparian restoration works post construction and erosion control for work stages 1 and 2 completed in 2011-2014	\$30,000
Protected and enhanced environment	City wide	Creek Revegetation - post rehab construction - Creek rehabilitation works using revegetation techniques at previous creek rehabilitation sites to ensure investment in integrity of the build. Sites include: 1 Blue Wren Creek Rankin Park 2 Gunambi Reserve Wallsend 3 Ironbark Creek Lower Reserve 4 Various headwalls - Mcinnes Street Minmi - Callen Avenue Maryland 5 IBC at Smith Rd	\$25,000
Information Technology			
Protected and enhanced environment	City wide	Natural Asset Management Systems - development - Review and ensure datasets are adequate for CAMS, Natural Resource Atlas (or similar GIS application) or other assessment purposes. Ensure assessments eg VMPs / AMPs are developed for all natural asset subclasses	\$50,000
Infrastructure Planning			
Protected and enhanced environment	City wide	City wide - maintenance of Drainage Management System and continuation of City wide CCTV surveys to facilitate maintenance priorities	\$120,000

Strategic Direction	Asset Suburb	Project Description	2014/15 Budget
Protected and enhanced environment	City wide	Water Sensitive City Implementation - Ongoing implementation of water sensitive initiatives and annual contribution for consortium partnership that produces valuable research and investigation outcomes in stormwater and urban water cycle management matters	\$30,000
Protected and enhanced environment	Hamilton East	Tudor Street (Parry to Gordon) - drainage construction - Drainage works in association with median and road rehabilitation works - see ROA project Tudor Street Hamilton (between Parry Street and Gordon Ave) - new drainage works	\$200,000
Protected and enhanced environment	City wide	City wide Tree - inspection and monitoring - Inspection, investigation and scientific testing of street and park trees to determine impacts on species type from pest, disease, soil issues and build cooperative knowledge on urban root systems	\$20,000
Protected and enhanced environment	Mayfield East	Selwyn Street Mayfield East - construct drainage/design	\$20,000
Protected and enhanced environment	Adamstown	Bailey Street Adamstown – design and install drainage - Investigate subcatchment surface flows for the design and installation of 62m 375 Class4 RCP and two KIP's to join existing drainage at intersection with Fletcher Street on eastern side Bailey Street from 55 Bailey Street	\$70,000
Protected and enhanced environment	Shortland	Newcastle Wetland Reserve - Foreshore Revegetation - Newcastle Wetland Reserve Action plan contains a number of action to provide cost effective asset improvement for this site. The revegetation and weed removal from the wetland waterfront land is a high priority action that does not require onerous assessment process for delivery. There is currently \$62,000 Contribution from HWC received to be allocated to this project	\$40,000
Protected and enhanced environment	City wide	City wide - tree audit for all attributes - Stage 2 Area 2 - Tree audit for all attributes across the city using TAMS. Stage 2 area 2 consists of inspections in area 2 of 4	\$10,000
Protected and enhanced environment	Lambton	Wye Street Lambton - drainage replacement - Drainage Replacement of existing 150PCV pipe, 80m length, under existing trees. Project include design and construct	\$120,000
Protected and enhanced environment	City wide	Park and Street Tree - Life extension program - application of tree management techniques to extend ULE for Cities urban tree canopy	\$60,000
Protected and enhanced environment	City wide	Inspection and Monitoring - Natural Assets - Inspection and monitoring of creeks, trees, wetlands and bushland to update systems and plan future works, as well as water quality monitoring program (city wide and WSUD device performance functions)	\$60,000
Protected and enhanced environment	City wide	Environmental Project Delivery Support - Project delivery support to enable successful research, documentation, evaluation and reporting to be completed to ensure program of works fully addresses Council's governance and corporate reporting requirements	\$100,000
Protected and enhanced environment	City wide	Various Creeks - rehabilitation works as per Creek Prioritisation Process	\$25,000
Protected and enhanced environment	City wide	Various Environment Assets - investigation - Investigation of environmental assets for works program eg sub-catchment mapping, bushfire hazard reduction mapping, wetland audit completion, habitat tree for stockton/blackbutt corridor	\$30,000
Protected and enhanced environment	Jesmond	William Street Jesmond - drainage design and construction - Replacement of 250m of failed 150mm pvc pipeline within road with appropriate standard of construction	\$20,000
Protected and enhanced environment	Shortland	Alister Street Shortland - construction of drainage replacement, gross pollutant device and outlet dissipator	\$10,000
Protected and enhanced environment	Merewether	Llewellyn Street Merewether - design and replacement of deteriorated drainage Railway Street to Selwyn Street	\$10,000
Protected and enhanced environment	New Lambton	Russell Road New Lambton - install pit and pipe drainage in Russell Road from Bridge Road to the western side of Greta Road to address existing localised ponding	\$150,000
Protected and enhanced environment	Lambton	Lambton Road Laneway - replacement of deteriorated pipeline and improvements to outlet control, replace stormwater channel to Bridges Road and Bridges upstream to rear of House No.179	\$150,000
Protected and enhanced environment	City wide	Community Education at environment rehabilitation worksites - Build stronger working relationships between residents and Council through increased community awareness of the role and value of environmental assets through understanding and participating in Council's asset management on ground activities	\$90,000
Protected and enhanced environment	City wide	Natural Connection - Newcastle's Healthy Catchments Program - Natural Connections program is aimed at improving catchment health through introducing the community to their local waterways. Such engagement interventions provides excellent value for money water quality improvement outcomes and places Council in positive light	\$20,000
Protected and enhanced environment	City wide	Living Streets Campaign - Community promotional campaign to raise awareness in value of urban forest and street tree planting in particular to encourage community participation in planting and maintenance of street trees	\$20,000
Projects and Contracts			

Strategic Direction	Asset Suburb	Project Description	2014/15 Budget
Protected and enhanced environment	City wide	Stockton seawall repairs-Stage 4/4 design and construct - Protect Hunter River foreshore along Stockton peninsula using successful rock fillet reconstruction methodologies and revegetation as applied north of North Stockton Boat Ramp (2010-2011)	\$250,000
Protected and enhanced environment	North Lambton	Sunset Bl, Nth Lambton drainage rehabilitation - Rehabilitation of 100m of open channel currently choked by weeds and creating issues for pedestrian traffic and neighbouring residents. These works will be meet 1:1 with grant funds from Australian government through Boatmans creek grant	\$15,000
Protected and enhanced environment	City wide	City wide - trenchless technology drainage rehabilitation - Rehabilitation of stormwater pipelines. Work will be under contract by a rehabilitation technique which uses minimal excavation. Sites to include: Newcastle CBD, Bond Street - (Telford Street to Customs House, Customs House to Wharf Rd)	\$200,000
Protected and enhanced environment	Kotara	Kotara Park - drainage rehabilitation - Replacement of deteriorated stormwater infrastructure	\$250,000
Protected and enhanced environment	New Lambton	Curzon Road New Lambton - drainage rehabilitation design - Ongoing. Reconstruct failed stormwater drainage assets - being three pipes of 300mm diameter that convey stormwater flows from an inlet pit (pt 23340) located on the border of 47 and 47A Curzon Road (upstream) to a headwall (hw 1621 - located on the boundary between 45 and 47 Curzon Road (downstream) on the fill embankment mentioned above), provide overland flowpath 47, make good all construction impacts, restore 45 Curzon Road	\$300,000
Protected and enhanced environment	Newcastle East	Coastal cliff stabilisation - Design - Newcastle Beach South - Shortland Esplanade - Design to stabilise priority area of coastal cliffline/retaining wall with stability issues as per RCA review.	\$20,000
Protected and enhanced environment	Newcastle	Coastal cliff stabilisation - Construct - Application for OEH coastal grant request to be lodged and this project supplies matching funding for next coastal cliffline stabilisation priority issues as per RCA review and/or in conjunction with Coastal Revitalisation works program to provide cost efficiencies.	\$250,000
Protected and enhanced environment	NA	Astra Street Channel repairs - stage 1 - Rehabilitation of a reach of Boatmans Creek that flows adjacent to the old Astra Street dump site	\$30,000
Protected and enhanced environment	Tighes Hill	Gross Street Reserve Tighes Hill - open channel construct - 170m open channel rehabilitation - design delivered 2014 with consultation with community for reserve outcomes. Est construction in 2015 (\$170,000 including construction + native riparian replanting.	\$290,000
Protected and enhanced environment	Elmore Vale	Ironbark Creek Site 3 - creek rehab construct Elmore Vale - Rehabilitation works as per Ironbark Creek Rehabilitation Plan 2010 - Site 3 - Elmore Vale Park (upstream of Cardiff Road to downstream extent of Site 1 works)	\$310,000
Protected and enhanced environment	The Hill	Church Street Drainage design and build - Church Street Drainage build -from rear of 110 Church Street through private property to back of Boltons the Hill	\$150,000
Protected and enhanced environment	Cooks Hill	Cooks Hill - Council Street drainage rehabilitation - Cooks Hill - Council Street from Darby to Bruce Street (glovers lane)	\$300,000
Protected and enhanced environment	Sandgate	Jersey Road Sandgate - Wetland Rehabilitation - Council has been successful in gaining funding through the Australian Government Caring for Country grant round. Total Grant is \$1.68M administered by Wetland Care Australia. TCoN receives \$0.7M for on-ground works in Boatmans Creek catchment Waratah and Sandgate TCoN also has annual aquatic weed removal action/s occurring within the wetland.	\$170,000
Protected and enhanced environment	Sandgate	Ayrshire Street Sandgate - sediment control - This project will design (\$6000) year 1 and build Yr 2 (\$90,000) baffle box treatment device to address sediment removal from industrial area and prevent its relocation into Market Swamp (along with associated weed seed loads).	\$90,000
Protected and enhanced environment	Waratah West	University Drive Waratah West - completion of catchment works as prioritised and scheduled 2013	\$100,000
Vibrant and activated public places	Newcastle	Bathers Way - Nobbys to Newcastle seawall repair	\$70,000
Protected and enhanced environment	Newcastle	Shortland Esplanade newcastle East - Drainage rehabilitation, including replacement of deteriorated pipeline and inlet assets in conjunction with the Bathers Way delivery	\$500,000
Protected and enhanced environment	City Wide	Various headwall rehabilitation - including rehabilitation of priority sites at McInnes St Minmi, Alnwick Street Reserve, North Lambton, Callen Avenue Maryland, Heaton Park Jesmond	\$100,000
Regulatory Services			
Protected and enhanced environment	City wide	Creeks and Waterways - inspect erosion and sediment control - Reduce the impact of sediment on creeks and waterways throughout the LGA, reducing environmental impacts and maintenance costs via pro-active compliance inspections.	\$85,000
Total Environment Program			\$6,675,000
Total Major Asset Preservation Program			\$30,000,000

Corporate Projects

Strategic Direction	Project Description	Total Budget	Working	Grant	S94	Reserves
Road and Asset maintenance services						
Connected city	Revaluation of Roads	50,000	50,000	-	-	-
Customer Service						
Smart and innovative city	Social media development	50,000	50,000	-	-	-
Open and collaborative leadership	Call centre	165,000	165,000	-	-	-
Smart and innovative city	Branding project	100,000	100,000	-	-	-
Facilities and Recreation						
Vibrant and activated public places	Matching grant funding	100,000	-	50,000	50,000	-
Vibrant and activated public places	Nesbitt Park, Kotara South. sub soil drainage	80,000	-	40,000	40,000	-
Vibrant and activated public places	Federal Park, Wallsend. Playground, shade, seating and pathway	100,000	-	50,000	50,000	-
Human Resources						
Open and collaborative leadership	Work, Health and Safety	222,164	222,164	-	-	-
Information Technology						
Open and collaborative leadership	ERP Program - Enterprise Resource Planning-This project will implement a solution for Councils core enterprise business areas of: Customers, Property, Assets, Finance, Human Resources, Governance and Document Management	3,600,000	-	-	-	3,600,000
Open and collaborative leadership	Internet/Intranet consolidation-Consolidate internet and intranet onto one common platform	100,000	-	-	-	100,000
Open and collaborative leadership	Cisco Security MARS System Replacement-Project to review required functionality and source and purchase a suitable replacement. It may be possible that after review of provided functionality and risk assessment that risk and mitigated without direct replacement and an alternative more cost effective solution can be sourced	50,000	-	-	-	50,000
Open and collaborative leadership	Email Archiving Solution-PST Email Archives consume considerable resources across the organisation. A solution is required to centralise storage and reduce staff time spent managing email archiving	130,000	130,000	-	-	-
Open and collaborative leadership	Implementation of Standard Operating Environment including upgrade to Microsoft Office-This project will deliver the endorsed recommendations from the preceding project - Analysis for upgrade of Microsoft Office (2014)	40,000	-	-	-	40,000
Open and collaborative leadership	Map Info Professional Upgrade -Annual assessment and upgrade of Council's production GIS application	5,000	-	-	-	5,000
Open and collaborative leadership	Exponare Upgrade-Annual upgrade to Council's GIS delivery system	10,000	-	-	-	10,000
Open and collaborative leadership	ICT Network Penetration Testing and Information and Communication Technology Security Framework-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	245,000	245,000	-	-	-
Open and collaborative leadership	Aerial photography replacement-Annual upgrade of aerial photography - sourced from NSW Land and Property Information	15,000	-	-	-	15,000
Open and collaborative leadership	Spatial data maintenance process migration-Investigate and implement the delivery of all spatial land information from NSW Land and Property Information	20,000	20,000	-	-	-
Open and collaborative leadership	Review of 3D datasets-Review, consolidate all 3D datasets and design a delivery process	20,000	-	-	-	20,000
Open and collaborative leadership	Standardisation of SQL Server versions -Review and consolidate MS SQL databases to common current version	20,000	-	-	-	20,000

Strategic Direction	Project Description	Total Budget	Working	Grant	S94	Reserves
Open and collaborative leadership	Implementation/deployment of MDM Software -Deployment of MDM eg. MobileIron platform across the organisation	30,000	30,000	-	-	-
Open and collaborative leadership	VmWare upgrade -Annual Upgrade of VMWare Software	5,000	-	-	-	5,000
Open and collaborative leadership	Email backend upgrade -Exchange upgrade to a valid supported version	50,000	-	-	-	50,000
Open and collaborative leadership	WebProxy replacement (ISA alternative)-research and implement alternative solution for ISA Proxy Servers which are end of Life	40,000	-	-	-	40,000
Open and collaborative leadership	Development of DR Strategy - Analysis and program of work to implement	10,000	10,000	-	-	-
Open and collaborative leadership	Assess antivirus options-Review contract as it will be in the 3rd year of our current contract and need to verify that we have the best product	10,000	10,000	-	-	-
Open and collaborative leadership	Assess Web filtering options-Review contract as it will be in the 3rd year of our current contract and need to verify that we have the best product	10,000	10,000	-	-	-
Open and collaborative leadership	Investigate option for public facing web systems -Look at reducing licence costs and reliance on Microsoft for our increasing web presence	10,000	10,000	-	-	-
Open and collaborative leadership	Investigate Fax Solution for Applications-Currently dedicated physical server performs this role for Supply Chain. The ERP Cloud solution requires a separate hosted fax service. Moving to a hosted service satisfies the virtualisation strategy and future for ERP	5,000	-	-	-	5,000
Open and collaborative leadership	Analysis and Framework to remove Hard Drives from IT Assets- Analysis of the requirements, costing and work program required to remove hard drives from the IT Asset Fleet	10,000	10,000	-	-	-
Open and collaborative leadership	Review Network IP Addressing Scheme-Review Council's Network IP Addressing Scheme, develop a design and costed project to implement an updated solution to support the business needs for the foreseeable future considerate of technology trends and risks.	20,000	-	-	-	20,000
Infrastructure Planning						
Connected city	Hobart Road and Howe Street New Lambton - 3X3-Hobart Road/ Howe Street New Lambton - Avondale Street to Wye Street (staged) - Road carriageway alterations including traffic signals at Durham Road and roundabout construction at the intersection of Lambton Road, Hobart Road and Tyrone Road	130,000	-	130,000	-	-
Connected city	Blue Gum Road Jesmond - 40 kph high pedestrian activity-Blue Gum Road - Janet Street to Newcastle Road including part of Mordue Parade and Hurst St	100,000	-	100,000	-	-
Connected city	Transport Shelters Program-S94A -Construction of 1 transport in each ward. Works will comply with the Disability Standards for Accessible Public Transport Users	100,000	-	-	100,000	-
Connected City	Scenic Drive Merewether - at Lloyd Street pedestrians refuges, resurfacing and kerb and gutter 3x3 Grant	\$130,000		\$130,000		
Connected City	Glebe Road at Smith Street - traffic control signals - S94A - Glebe Road at Smith Street - traffic control signals and relocate pedestrian signals to traffic control signals	\$450,000			\$450,000	
Connected City	Patrick Street at Watkins Street Merewether replacement of pedestrian crossing refuge and pedestrian access in conjunction with MAPP road rehabilitation pavement works	\$127,000			\$127,000	
Connected City	Bar Beach Avenue The Junction - road rehabilitation works in conjunction with MAPP drainage rehabilitation works Roads to recovery	\$250,000		\$250,000		
Connected City	Park Avenue Kotara - Seaview Street to Howell Street replacment of deteriorated road pavement in conjunction with MAPP road rehabilitation works roads to recover grant	\$620,000		\$620,000		
Connected City	Harriet Street Waratah at High Street - raised pedestrian crossing	\$120,000			\$120,000	
Connected City	Darby Street Cooks Hill - at Tooke Street - kerb nibs at existing pedestrian crossing	\$100,000			\$100,000	

Strategic Direction	Project Description	Total Budget	Working	Grant	S94	Reserves
Open and collaborative leadership	Implementation/deployment of MDM Software -Deployment of MDM eg. MobileIron platform across the organisation	30,000	30,000	-	-	-
Open and collaborative leadership	VmWare upgrade -Annual Upgrade of VMWare Software	5,000	-	-	-	5,000
Open and collaborative leadership	Email backend upgrade -Exchange upgrade to a valid supported version	50,000	-	-	-	50,000
Open and collaborative leadership	WebProxy replacement (ISA alternative)-research and implement alternative solution for ISA Proxy Servers which are end of Life	40,000	-	-	-	40,000
Open and collaborative leadership	Development of DR Strategy - Analysis and program of work to implement	10,000	10,000	-	-	-
Open and collaborative leadership	Assess antivirus options-Review contract as it will be in the 3rd year of our current contract and need to verify that we have the best product	10,000	10,000	-	-	-
Open and collaborative leadership	Assess Web filtering options-Review contract as it will be in the 3rd year of our current contract and need to verify that we have the best product	10,000	10,000	-	-	-
Open and collaborative leadership	Investigate option for public facing web systems -Look at reducing licence costs and reliance on Microsoft for our increasing web presence	10,000	10,000	-	-	-
Open and collaborative leadership	Investigate Fax Solution for Applications-Currently dedicated physical server performs this role for Supply Chain. The ERP Cloud solution requires a separate hosted fax service. Moving to a hosted service satisfies the virtualisation strategy and future for ERP	5,000	-	-	-	5,000
Open and collaborative leadership	Analysis and Framework to remove Hard Drives from IT Assets- Analysis of the requirements, costing and work program required to remove hard drives from the IT Asset Fleet	10,000	10,000	-	-	-
Open and collaborative leadership	Review Network IP Addressing Scheme-Review Council's Network IP Addressing Scheme, develop a design and costed project to implement an updated solution to support the business needs for the foreseeable future considerate of technology trends and risks.	20,000	-	-	-	20,000
Infrastructure Planning						
Connected city	Hobart Road and Howe Street New Lambton - 3X3-Hobart Road/ Howe Street New Lambton - Avondale Street to Wye Street (staged) - Road carriageway alterations including traffic signals at Durham Road and roundabout construction at the intersection of Lambton Road, Hobart Road and Tyrone Road	130,000	-	130,000	-	-
Connected city	Blue Gum Road Jesmond - 40 kph high pedestrian activity-Blue Gum Road - Janet Street to Newcastle Road including part of Mordue Parade and Hurst St	100,000	-	100,000	-	-
Connected city	Transport Shelters Program-S94A -Construction of 1 transport in each ward. Works will comply with the Disability Standards for Accessible Public Transport Users	100,000	-	-	100,000	-
Connected City	Scenic Drive Merewether - at Lloyd Street pedestrians refuges, resurfacing and kerb and gutter 3x3 Grant	\$130,000		\$130,000		
Connected City	Glebe Road at Smith Street - traffic control signals - S94A - Glebe Road at Smith Street - traffic control signals and relocate pedestrian signals to traffic control signals	\$450,000			\$450,000	
Connected City	Patrick Street at Watkins Street Merewether replacement of pedestrian crossing refuge and pedestrian access in conjunction with MAPP road rehabilitation pavement works	\$127,000			\$127,000	
Connected City	Bar Beach Avenue The Junction - road rehabilitation works in conjunction with MAPP drainage rehabilitation works Roads to recovery	\$250,000		\$250,000		
Connected City	Park Avenue Kotara - Seaview Street to Howell Street replacment of deteriorated road pavement in conjunction with MAPP road rehabilitation works roads to recover grant	\$620,000		\$620,000		
Connected City	Harriet Street Waratah at High Street - raised pedestrian crossing	\$120,000			\$120,000	
Connected City	Darby Street Cooks Hill - at Tooke Street - kerb nibs at existing pedestrian crossing	\$100,000			\$100,000	

Strategic Direction	Project Description	Total Budget	Working	Grant	S94	Reserves
Protective and enhanced environment	Low Lying Suburb Study-The Newcastle City-wide Flood Plan recommended undertaking investigations to develop a long term Strategic Position for low-lying areas/suburbs of Maryville, Wickham, Carrington and parts of Islington. OEH have granted funding over 3 years for this work. Stage 1 scoping study is nearing completion, detailed investigations to fill data gaps are now required	45,000	15,000	30,000	-	-
Protective and enhanced environment	Flood Road Signage-In consultation with the SES and RMS, 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 Dependant on background study, the status and extent of the existing flood signage network that may need replacing or amending and cost	90,000	30,000	60,000	-	-
Protective and enhanced environment	Morgan - Selwyn Street Floodway Study Merewether-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. Outcomes from the study would form the basis for deciding if voluntary purchase options are to be instigated	45,000	15,000	30,000	-	-
Projects and Contracts						
Smart and innovative city	Stockton Beach Holiday Park Improvements - Stage 3- Implementation of the current SBHP "Sustainable Improvement Strategy MasterPlan" which proposes the replacement of the ageing Camp Kitchen on site. Funding for this project is to be from the SBHP Reserve as well as State Government sourced PRMF Low Interest Loans	450,000	-	-	-	450,000
Vibrant and activated public places	Islington Park, Islington. Construction of new amenities building	300,000	-	-	300,000	-
Vibrant and activated public places	Lambton Park, Lambton - New floodlights	200,000	-	-	200,000	-
Connected city	Cycle ways Investigation Program - Annually-Investigation of High Priority Cycle Routes	200,000	-	-	200,000	-
Connected city	Alder Park Lambton - Street James Road to Bridges Road-Shared Pathway	240,000	-	-	240,000	-
Connected city	Market Street and Graham Road Lambton-Shared Pathway and kerb extensions	110,000	-	-	110,000	-
Connected city	Wallsend Brickworks Park - Victory Parade to Iranoa Grove-Shared Pathway	265,000	-	-	265,000	-
Connected city	Scenic Drive Merewether Heights - West of Sun Hill Drive-Cyclist Refuge	30,000	-	-	30,000	-
Strategic Planning						
Vibrant and activated public places	Safer Newcastle Lighting Project-Security and public art lighting to be installed in locations where additional lighting has been recommended to prevent crime and antisocial behaviour. Lighting will include LED spotlights, Mercian lights, and lit public art projects	100,000	-	-	-	100,000
Waste Management						
Protective and enhanced environment	Engagement of consultants/forecasting	100,000	100,000	-	-	-
Protective and enhanced environment	Household Problem Waste-Funding Source OEH Grant	550,000	-	550,000	-	-
Protective and enhanced environment	Resource Recovery Facility Expansion and Enhancement	2,000,000	-	1,000,000	-	1,000,000
Protective and enhanced environment	Resource Recovery Facility Expansion and Enhancement	140,000	-	70,000	-	70,000
Total		12,514,164	1,222,164	3,110,000	2,582,000	5,600,000

Special Projects

Strategic Direction	Responsibility	Project Name	Total Budget	Working	Special Rate Variation Funding	Section 94 and
All	Strategic Planning	Hunter Street Revitalisation	1,431,079		1,431,079	
All	Infrastructure Planning	Coastal Revitalisation	9,813,601	6,289,579	3,275,101	1,680,000
Total			11,244,680	6,289,579	4,706,180	1,680,000

Other Capital

Description	Total Budget	Grants and contributions	Asset Sales	General Fund	Restricted Assets	Reserves
Minor capital	65,000				65,000	
IT hardware	560,000				560,000	
Fleet replacement program	5,221,100		1,045,510		4,175,590	
Art Gallery collection	80,000			80,000		
Library resources vote	799,019			799,019		
Total	6,725,119	0	1,045,510	879,019	4,800,590	0

