
ATTACHMENTS DISTRIBUTED UNDER SEPARATE COVER

ITEM-73 CCL 22/10/19 – ADOPTION OF 2018/19 ANNUAL FINANCIAL STATEMENTS

Attachment A: City of Newcastle Financial Statements

ITEM-76 CCL 22/10/19 - SUPPLEMENTARY REPORT - EXHIBITION OF DRAFT FERN BAY AND NORTH STOCKTON STRATEGY

Attachment A: Draft Fern Bay and North Stockton Strategy

Attachment B: Implementation Plan

Attachment C: Background Investigations

Attachment D: Original Council Report of 28 May 2019

ITEM-77 CCL 22/10/19 – ADOPTION OF COMMUNITY PARTICIPATION PLAN

Attachment A: Community Participation Plan

ITEM-78 CCL 22/10/19 - ADOPTION OF THE JOSLIN STREET LOCAL CENTRE PUBLIC DOMAIN PLAN AND TRAFFIC PLAN

Attachment A: Joslin Street Local Centre Public Domain and Traffic Plan

Attachment B: Community Online Survey Analysis December 2017

Attachment C: Exhibition leaflet and poster

Attachment D: Summary of Exhibition Submissions

Attachment E: Joslin Street PDP Process Flow Chart

ITEM-80 CCL 22/10/19 - CARRINGTON GREENSPACE MASTERPLAN PUBLIC EXHIBITION

Attachment A: Carrington Greenspace Masterplan Report

Attachment B: Carrington Greenspace Concept Plan – Engagement report January 2019

ITEM-81 CCL 22/10/19 - EXECUTIVE MONTHLY PERFORMANCE REPORT

Attachment A: Executive Monthly Performance Report - September 2019

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**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
ADOPTION OF 2018/19 ANNUAL FINANCIAL STATEMENTS**

**Item 73 - Attachment A: General Purpose Financial Statements for the
year ended 30 June 2019**

DISTRIBUTED UNDER SEPARATE COVER



Financial Reports

Newcastle City Council

For the year ended 30 June 2019



City of
Newcastle

Newcastle City Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019



General Purpose Financial Statements

for the year ended 30 June 2019

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Overview

Newcastle City Council is constituted under the *Local Government Act 1993* (NSW) and has its principal place of business at:

Newcastle City Council
12 Stewart Avenue
Newcastle West NSW 2302

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.newcastle.nsw.gov.au.

General Purpose Financial Statements

for the year ended 30 June 2019

Statement by Councillors and Management

made pursuant to Section 413(2)(c) of the *Local Government Act 1993* (NSW) (as amended)

The attached General Purpose Financial Statements have been prepared in accordance with:

- the *Local Government Act 1993* (NSW) (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the *Local Government Code of Accounting Practice and Financial Reporting*.

To the best of our knowledge and belief, these statements:

- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

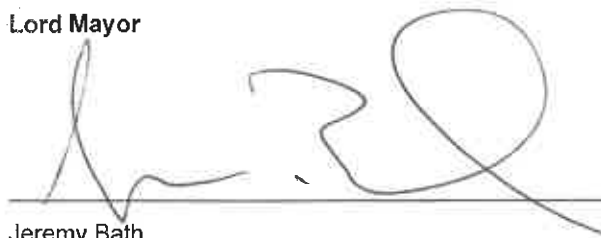
Signed in accordance with a resolution of Council made on 27 August 2019.



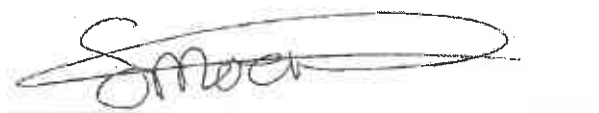
Nuatali Nelmes
Lord Mayor



Councillor



Jeremy Bath
Chief Executive Officer



Scott Moore
Responsible Accounting Officer

Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019 \$ '000		Notes	Actual 2019 \$ '000	Actual 2018 ¹ \$ '000
Income from continuing operations				
<u>Revenue:</u>				
168,957	Rates and annual charges *	3a	171,736	158,890
76,521	User charges and fees	3b	90,144	85,898
9,132	Interest and investment revenue	3c	10,962	9,465
10,727	Other revenues *	3d	12,981	13,738
14,332	Grants and contributions provided for operating purposes	3e,3f	15,933	16,569
11,782	Grants and contributions provided for capital purposes	3e,3f	31,059	23,596
<u>Other income:</u>				
–	Fair value increment on investment properties	11	–	1,659
–	Reversal of revaluation decrements / impairment of IPP&E previously expensed	10	3,475	–
(359)	Reversal of impairment losses on receivables	7	57	–
–	Net share of interests in joint ventures and associates using the equity method	17	–	583
291,092	Total income from continuing operations		336,347	310,398
Expenses from continuing operations				
103,336	Employee benefits and on-costs	4a	101,881	97,419
3,874	Borrowing costs	4b	5,169	3,895
71,531	Materials and contracts *	4c	65,777	77,721
41,275	Depreciation and amortisation	4d	44,641	42,134
–	Impairment of receivables	7	–	301
48,464	Other expenses	4e	77,532	58,015
4,350	Net losses from the disposal of assets	5	275	5,953
–	Fair value decrement on investment properties	11	531	–
–	Revaluation decrement / impairment of IPP&E	4d	–	287
–	Net share of interests in joint ventures and associates using the equity method	17	95	–
272,830	Total expenses from continuing operations		295,901	285,725
18,262	Operating result from continuing operations		40,446	24,673
18,262	Net operating result for the year		40,446	24,673
18,262	Net operating result attributable to council		40,446	24,673
6,480	Net operating result for the year before grants and contributions provided for capital purposes		9,387	1,077

(*) Reclassification has occurred on comparative figures for this line item

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The above Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

for the year ended 30 June 2019

	Notes	2019 \$ '000	2018 ¹ \$ '000
Net operating result for the year (as per Income Statement)		40,446	24,673
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10	66,639	73,180
Impairment (loss) reversal relating to IPP&E	10	(7)	(2,820)
Total items which will not be reclassified subsequently to the operating result		66,632	70,360
Total other comprehensive income for the year		66,632	70,360
Total comprehensive income for the year		107,078	95,033
Total comprehensive income attributable to Council		107,078	95,033

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2019

	Notes	2019 \$ '000	2018 ¹ \$ '000
ASSETS			
Current assets			
Cash and cash equivalent assets	6(a)	23,287	28,029
Investments	6(b)	117,417	105,627
Receivables	7	23,478	21,609
Inventories	8a	1,151	1,194
Other	8b	5,509	3,483
Current assets classified as 'held for sale'		—	368
Total current assets		170,842	160,310
Non-current assets			
Investments	6(b)	236,285	204,072
Receivables	7	1,483	1,369
Infrastructure, property, plant and equipment	10	1,520,309	1,430,909
Investment property	11a	18,970	18,580
Intangible assets	12	6,099	5,654
Investments accounted for using the equity method	17	970	1,065
Other	8b	549	8
Total non-current assets		1,784,665	1,661,657
TOTAL ASSETS		1,955,507	1,821,967
LIABILITIES			
Current liabilities			
Payables	13	38,444	33,563
Income received in advance	13	4,609	6,147
Borrowings	13	3,866	3,491
Provisions	14	49,786	36,621
Total current liabilities		96,705	79,822
Non-current liabilities			
Income received in advance	13	5,371	5,240
Borrowings	13	56,907	60,339
Provisions	14	57,982	45,196
Total non-current liabilities		120,260	110,775
TOTAL LIABILITIES		216,965	190,597
Net assets		1,738,542	1,631,370
EQUITY			
Accumulated surplus	15a	1,474,478	1,430,920
Revaluation reserves	15a	264,064	200,450
Council equity interest		1,738,542	1,631,370
Total equity		1,738,542	1,631,370

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2019

	Notes	2019			2018 ¹		
		Accumulated surplus \$ '000	IPP&E revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPP&E revaluation reserve \$ '000	Total equity \$ '000
Opening balance		1,430,920	200,450	1,631,370	1,406,345	129,992	1,536,337
Changes due to AASB 9 adoption (Note 15)		94	–	94	–	–	–
Restated opening balance		1,431,014	200,450	1,631,464	1,406,345	129,992	1,536,337
Net operating result for the year		40,446	–	40,446	24,673	–	24,673
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	10	–	66,639	66,639	–	73,180	73,180
– Impairment (loss) reversal relating to IPP&E	10	–	(7)	(7)	–	(2,820)	(2,820)
Other comprehensive income		–	66,632	66,632	–	70,360	70,360
Total comprehensive income		40,446	66,632	107,078	24,673	70,360	95,033
Transfers between equity items		3,018	(3,018)	–	(98)	98	–
Equity – balance at end of the reporting period		1,474,478	264,064	1,738,542	1,430,920	200,450	1,631,370

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under *AASB 139 Financial Instruments: Recognition and Measurement*

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2019

Original unaudited budget 2019 \$ '000		Notes	Actual 2019 \$ '000	Actual 2018 \$ '000
Cash flows from operating activities				
	<u>Receipts</u>			
167,802	Rates and annual charges		171,061	160,565
85,309	User charges and fees		95,905	87,691
9,632	Investment and interest revenue received		10,675	9,635
35,043	Grants and contributions		34,440	33,847
–	Bonds, deposits and retention amounts received		228	252
11,801	Other		18,240	22,894
	<u>Payments</u>			
(102,188)	Employee benefits and on-costs		(99,294)	(96,480)
(81,262)	Materials and contracts		(68,894)	(90,058)
(3,874)	Borrowing costs		(5,169)	(3,895)
–	Bonds, deposits and retention amounts refunded		(90)	(132)
(60,639)	Other		(63,885)	(67,569)
61,624	Net cash provided (or used in) operating activities	16b	93,217	56,750
Cash flows from investing activities				
	<u>Receipts</u>			
144,142	Sale of investment securities		145,880	144,142
1,620	Sale of infrastructure, property, plant and equipment		20,668	2,694
	<u>Payments</u>			
(142,644)	Purchase of investment securities		(189,534)	(149,903)
–	Purchase of investment property		(921)	(1,842)
(67,553)	Purchase of infrastructure, property, plant and equipment		(69,225)	(56,974)
–	Purchase of intangible assets		(1,770)	–
(64,435)	Net cash provided (or used in) investing activities		(94,902)	(61,883)
Cash flows from financing activities				
	<u>Receipts</u>			
–	Proceeds from borrowings and advances		–	6,500
	<u>Payments</u>			
(3,580)	Repayment of borrowings and advances		(3,057)	(3,051)
(3,580)	Net cash flow provided (used in) financing activities		(3,057)	3,449
(6,391)	Net increase/(decrease) in cash and cash equivalents		(4,742)	(1,684)
35,288	Plus: cash and cash equivalents – beginning of year	16a	28,029	29,713
28,897	Cash and cash equivalents – end of the year	16a	23,287	28,029
Additional Information:				
353,702	plus: Investments on hand – end of year	6(b)	353,702	309,699
382,599	Total cash, cash equivalents and investments		376,989	337,728

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2019

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 27 August 2019. Council has the power to amend and reissue these financial statements.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 21 – Material budget variations

and are clearly marked.

(a) New and amended standards adopted by Council

Council adopted all standards which were mandatorily effective for the first time during the year ending 30 June 2019.

These include:

- AASB 9 *Financial Instruments and associated amending standards*

Those newly adopted standards which had an impact on reported position, performance and/or disclosures have been discussed in Note 15.

(b) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of infrastructure, property, plant and equipment and investment property.

(c) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of investment properties – refer Note 11
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note 10
- (iii) estimated tip remediation provisions – refer Note 14
- (iv) employee benefit provisions – refer Note 14

Significant judgements in applying the council's accounting policies

- (i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note 7

Monies and other assets received by Council

(a) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993 (NSW)*, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

The Consolidated Fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

(b) The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993* (NSW) (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust which must be applied only for the purposes of, or in accordance with, the trusts relating to those monies. Trust monies and property subject to Council's control have been included in these reports.

A separate statement of monies held in the Trust Fund, is available for inspection at the Council office, by any person free of charge.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

New accounting standards and interpretations issued not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods (and which have not been early adopted by Council). Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

AASB 16 Leases

AASB 16 will result (for YE 19/20 and beyond) in almost all operating leases being recognised on the balance sheet by Council (alongside finance leases if entered into in the future), with the distinction between operating and finance leases removed.

Under the new standard, a financial liability (ie. a lease liability) and an asset (ie. a right to use the leased item) will be recognised for nearly all arrangements where Council commits itself to paying a rental fee for the use of a specific asset.

The only exceptions are short-term and low-value leases which are exempt from the accounting (but not disclosure) requirements of AASB 16 - Leases.

Council staff have reviewed all of Council's leasing arrangements over the last 12 months taking into consideration the new lease accounting rules in AASB 16 (applicable from 1/7/19).

AASB 16 will, on the whole, affect Council's accounting for existing operating lease agreements that are in place as at 30/6/19.

Council's activities as a lessor are not material and hence Council does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

AASB 15 Revenue from Contracts with Customers and associated amending standards.

AASB 15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contract costs and contracts which contain a financing element.

Whilst Council is still assessing each revenue stream, particular impact is expected for grant income and rates which are paid before the commencement of the rating period.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

AASB 1058 Income of NFP Entities

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions.

Under AASB 1058 the future timing of income recognition will depend on whether the transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service) related to an asset (such as cash or another asset) received by an entity.

AASB 1058 also applies when a Council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the Council's objective is principally to enable the asset to further the council's objectives.

Upon initial recognition of the asset, this standard requires Council to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable accounting standard, such as:

- (a) contributions by owners
- (b) revenue, or a contract liability arising from a contract with a customer
- (c) a lease liability
- (d) a financial instrument, or
- (e) a provision.

If the transaction is a transfer of a financial asset to enable Council to acquire or construct a recognisable non-financial asset to be controlled by Council (i.e. an in-substance acquisition of a non-financial asset), Council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will then recognise income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

If the transaction does not enable Council to acquire or construct a recognisable non-financial asset to be controlled by Council, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.

AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities

This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below market terms and conditions, principally to enable the entity to further its objectives (for example, concessionary or peppercorn leases).

The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such right-of-use assets at cost rather than fair value) to include additional disclosures in the financial statements to ensure users understand the effects on the financial position, financial performance and cash flows of the entity arising from these leases

As per a NSW Office of Local Government recommendation, Council has elected to measure right-of-use assets (under a concessionary or peppercorn lease) at cost. The standard requires additional disclosures be provided in relation to below market-value leases measured at cost.

Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2018.

New accounting standards adopted during the year

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019. The standards which had an impact on reported position, performance or disclosures have been discussed in Note 15.

Comparative figures

Where the presentation or the classification of items in the financial report have been amended, comparative amounts have been reclassified.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 2(a). Council functions/activities – financial information

Income, expenses and assets have been directly attributed to the following functions or activities.
Details of those functions or activities are provided in Note 2(b).

	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Functions or activities *										
Integrated and Accessible Transport	30,619	28,897	51,951	60,735	(21,332)	(31,838)	3,384	6,471	58,569	51,217
Protected Environment	69,493	44,839	87,031	67,067	(17,538)	(22,228)	266	1,096	53,750	42,087
Vibrant, Safe and Active Public Places	42,213	33,295	84,503	85,359	(42,290)	(52,064)	1,718	1,045	178,969	171,822
Inclusive Community	1,338	5,617	4,818	4,454	(3,480)	1,163	186	605	27,979	28,197
Smart and Innovative	7,214	5,156	8,509	7,695	(1,295)	(2,539)	5,667	4,138	47,600	46,786
Liveable Built Environment	11,014	9,094	8,670	8,342	2,344	752	–	–	1,002,281	977,268
Open and Collaborative Leadership	174,456	183,500	50,419	52,073	124,037	131,427	11,535	11,060	586,359	504,590
Total functions and activities	336,347	310,398	295,901	285,725	40,446	24,673	22,756	24,415	1,955,507	1,821,967

(*) Reclassification has occurred on comparative figures for the below line items

Notes to the Financial Statements

for the year ended 30 June 2019

Note 2(b). Council functions/activities - component descriptions

Details relating to the Council's functions/activities as reported in Note 2(a) are as follows:

Integrated and Accessible Transport

In 2030, our Transport networks and services will be well connected and convenient. Walking, cycling and public transport will be viable options for the majority of our trips. Council's services that contribute to meeting these community objectives are: Civil Construction; Assets and Projects; Regulatory, Planning and Assessment; Corporate and Community Planning.

Protected Environment

Our unique environment will be understood, maintained and protected. Council's services that contribute to meeting these community objectives are: Waste Services; Assets and Projects; Information Technology; Civil Construction; Regulatory, Planning and Assessment; Corporate and Community Planning; Parks and Recreation.

Vibrant, Safe and Active Public Places

A city of great public places and neighbourhoods promoting people's health, happiness and wellbeing. Council's services that contribute to meeting these community objectives are: Art Gallery; Assets and Projects; Libraries and Learning; Corporate and Community Planning; Parks and Recreation; Regulatory, Planning and Assessment; Museum; Civic Services; Property and Facilities.

Inclusive Community

A thriving community where diversity is embraced, everyone is valued and has the opportunity to contribute and belong. Council's services that contribute to meeting these community objectives are: Waste Services; Assets and Projects; Information Technology; Parks and Recreation; Property and Facilities; Regulatory, Planning and Assessment; Corporate and Community Planning; Libraries and Learning.

Smart and Innovative

A leader in smart innovations with a prosperous, diverse and resilient economy. Council's services that contribute to meeting these community objectives are: Corporate and Community Planning, Art Gallery, Museum, Civic Services, Property and Facilities, Parks and Recreation, Information Technology.

Liveable Built Environment

An attractive city that is built around people and reflects our sense of identity. Council's services that contribute to meeting these community objectives are: Waste Services; Assets and Projects; Regulatory, Planning and Assessment; Corporate and Community Planning; Art Gallery; Museum; Civic Services.

Open and Collaborative Leadership

A strong, local democracy with an actively engaged community and effective partnerships. Council's services that contribute to meeting these community objectives are: Finance, Information Technology, People and Culture, Legal, Customer Service, Libraries and Learning, Major Events and Corporate Affairs, Corporate and Community Planning.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations

	2019 \$ '000	2018 \$ '000
(a) Rates and annual charges *		
Ordinary rates		
Residential *	93,220	85,192
Farmland	21	38
Business *	52,870	48,797
Less: pensioner rebates (mandatory) *	(2,115)	(2,086)
Rates levied to ratepayers	143,996	131,941
Pensioner rate subsidies received *	1,184	1,124
Total ordinary rates	145,180	133,065
Special rates		
Town improvement	82	80
Main street	1,188	1,175
Rates levied to ratepayers	1,270	1,255
Total special rates	1,270	1,255
Annual charges		
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services *	22,018	21,684
Stormwater management services	1,984	1,960
Waste management services (non-domestic)	1,020	1,004
Section 611 charges	496	179
Less: pensioner rebates (mandatory) *	(524)	(558)
Annual charges levied	24,994	24,269
Pensioner subsidies received:		
– Domestic waste management *	292	301
Total annual charges	25,286	24,570
TOTAL RATES AND ANNUAL CHARGES	171,736	158,890

Council has used 2016 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy for rates and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates.

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

(*) Reclassification has occurred on comparative figures for this line item

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

	2019 \$ '000	2018 \$ '000
(b) User charges and fees		
Specific user charges		
(per s.502 - specific 'actual use' charges)		
Waste management services (non-domestic)	3,816	3,433
Total specific user charges	3,816	3,433
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Building inspection fee	275	219
Dog control / registration fees	89	168
Inspection fees – food shops	481	492
Licence fees *	207	238
Private works – section 67	146	140
Regulatory / statutory fees *	3,468	3,405
Section 10.7 certificates (EP&A Act) *	446	463
Section 603 certificates	274	316
Subdivision fees	317	635
Total fees and charges – statutory/regulatory	5,703	6,076
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Art Gallery	56	108
Cemeteries *	144	135
Child care	1,032	1,055
City Hall	319	292
Civic Theatre	1,638	1,714
Fort Scratchley	162	211
Library fees	185	167
Local committees	557	526
Merchant service fee	148	140
Museum	222	443
Newcastle airport	17,295	15,388
Ocean baths / inland pools	95	93
Park / gardens rents	876	648
Parking stations / meter fees	8,002	7,492
Reprographics income	308	281
RMS (formerly RTA) charges (state roads not controlled by Council)	6,201	5,702
Road restorations	300	467
Stockton Beach Holiday Park	3,252	3,002
Tipping fees / resource recovery	39,241	37,332
Tourism	34	48
Other *	558	1,145
Total fees and charges – other	80,625	76,389
TOTAL USER CHARGES AND FEES	90,144	85,898

Accounting policy for user charges and fees

User charges and fees are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever occurs first.

(*) Reclassification has occurred on comparative figures for this line item

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

	2019 \$ '000	2018 \$ '000
(c) Interest and investment revenue (including losses)		
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	178	250
– Cash and investments	10,435	9,269
Fair value adjustments		
– Movements in investments at fair value through profit and loss	405	–
Amortisation of premiums and discounts		
– Debt securities at amortised cost / held to maturity investments	(56)	(54)
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>	<u>10,962</u>	<u>9,465</u>

Accounting policy for interest and investment revenue

Interest income is recognised using the effective interest rate at the date that interest is earned.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

	Notes	2019 \$ '000	2018 \$ '000
(d) Other revenues *			
Fines – parking		3,969	3,627
Fines – other		353	656
Rental income – investment property *	11	1,552	1,649
Rental income – other council properties *		1,734	1,723
Insurance claims recoveries		454	725
Commissions and agency fees		660	738
Sales of inventories		1,821	1,806
Diesel rebate *		101	88
Legal fees recovery – rates and charges (extra charges)		177	317
Disaster recoveries		–	864
Insurance recovery / bonus		–	59
Joint library scheme recoveries		339	355
Sponsorships		150	93
Summerhill waste management – electricity generation		438	312
Volunteer services		789	–
Other		444	726
<u>TOTAL OTHER REVENUE</u>		<u>12,981</u>	<u>13,738</u>

Accounting policy for other revenue

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Parking fees and fines are recognised as revenue when the service has been provided, or when the penalty has been applied, whichever occurs first.

Rental income is accounted for on a straight-line basis over the lease term.

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

(*) Reclassification has occurred on comparative figures for this line item

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

	Operating 2019 \$ '000	Operating 2018 \$ '000	Capital 2019 \$ '000	Capital 2018 \$ '000
(e) Grants				
General purpose (untied)				
Current year allocation				
Financial assistance *	6,046	6,760	—	—
Payment in advance - future year allocation				
Financial assistance ¹	6,188	6,366	—	—
Total general purpose	12,234	13,126	—	—
Specific purpose (tied)				
Community services	3	61	—	—
LIRS subsidy	220	259	—	—
Recreation and culture	520	548	6,089	4,524
Street lighting	592	579	—	—
Transport (other roads and bridges funding) *	—	50	2,638	4,100
Waste	198	189	—	750
Other	182	220	80	9
Total specific purpose	1,715	1,906	8,807	9,383
Total grants	13,949	15,032	8,807	9,383
Grant revenue is attributable to:				
– Commonwealth funding	12,248	13,182	5,015	3,170
– State funding *	1,701	1,850	3,792	6,213
	13,949	15,032	8,807	9,383

(*) Reclassification has occurred on comparative figures for this line item.

(1) \$6.188m of the 2019 - 2020 Financial Assistance Grant from the State Government was received by Council in June 2019 and hence is reported as 2018 - 2019 income although it relates to the 2019 - 2020 financial year.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

	Operating 2019 \$ '000	Operating 2018 \$ '000	Capital 2019 \$ '000	Capital 2018 \$ '000
Notes				
(f) Contributions				
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):				
Cash contributions				
S 7.4 – contributions using planning agreements	–	–	–	104
S 7.11 – contributions towards amenities/services	–	22	684	586
S 7.12 – fixed development consent levies	–	–	5,796	3,243
Total developer contributions – cash	–	22	6,480	3,933
Total developer contributions	–	22	6,480	3,933
24				
Other contributions:				
Cash contributions				
Art Gallery donations *	48	39	24	64
Beach bathing / pools	1	–	–	–
Civic and community events	–	15	–	–
Community facilities	2	1	770	207
Economic development	31	11	–	–
Employees corporate fitness / entitlements	636	673	–	–
Library *	5	2	–	–
Parks and gardens	8	6	–	47
Museum *	8	11	–	–
Roads and drainage *	1,026	542	1,018	3,463
RMS contributions (regional roads, block grant)	119	119	–	–
Civic Theatre and City Hall	67	69	–	–
Other *	33	27	–	94
Total other contributions – cash	1,984	1,515	1,812	3,875
Non-cash contributions				
Art Gallery *	–	–	889	4,741
Library *	–	–	40	36
Museum *	–	–	31	18
Roads and drainage *	–	–	6,151	1,447
Community land	–	–	6,849	–
Other *	–	–	–	163
Total other contributions – non-cash	–	–	13,960	6,405
Total other contributions	1,984	1,515	15,772	10,280
Total contributions	1,984	1,537	22,252	14,213
TOTAL GRANTS AND CONTRIBUTIONS	15,933	16,569	31,059	23,596

Accounting policy for grants and contributions

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner, or used over a particular period, and those conditions were un-discharged at reporting date, the unused grant or contribution is disclosed in Note 3 (g).

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979*.

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but the Council may apply contributions according to the priorities established in work schedules

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

(*) Reclassification has occurred on comparative figures for this line item

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

	2019 \$ '000	2018 \$ '000
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(g) Unspent grants and contributions

Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:

Operating grants

Unexpended at the close of the previous reporting period	231	189
Reclassification as operating from capital	431	–
Add: operating grants recognised in the current period but not yet spent	121	47
Add: operating grants received for the provision of goods and services in a future period	–	–
Less: operating grants recognised in a previous reporting period now spent	(158)	(5)
Unexpended and held as restricted assets (operating grants)	625	231

Details of the nature and period of the unspent operating grants are as follows:

Nature	Within 12 months \$ '000	Greater than 12 months \$ '000	Total \$ '000
Community Services	35	–	35
Recreation & Culture	27	161	188
Waste Management	–	287	287
Other	15	99	115
Total	77	548	625

Capital grants

Unexpended at the close of the previous reporting period	6,607	6,281
Reclassification from capital as operating	(431)	–
Add: capital grants recognised in the current period but not yet spent	691	3,808
Add: capital grants received for the provision of goods and services in a future period	–	–
Less: capital grants recognised in a previous reporting period now spent	(2,970)	(3,482)
Unexpended and held as restricted assets (capital grants)	3,897	6,607

Details of the nature and period of the unspent capital grants are as follows:

Nature	Within 12 months \$ '000	Greater than 12 months \$ '000	Total \$ '000
Community Facilities	–	50	50
Community Safety (Other)	–	10	10
Community Services	156	–	156
Recreation & Culture	773	330	1,103
Roads & Drainage	–	52	52
Transport	360	193	553
Waste Management	750	138	888
Other	80	1,005	1,085
Total	2,119	1,778	3,897

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

	2019 \$ '000	2018 \$ '000
Contributions		
Unexpended at the close of the previous reporting period	24,389	25,543
Add: contributions recognised in the current period but not yet spent	7,044	4,668
Add: contributions received for the provision of goods and services in a future period	–	–
Add: contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate	–	–
Less: contributions recognised in a previous reporting period now spent	(2,013)	(5,822)
Unexpended and held as restricted assets (contributions)	29,420	24,389

Details of the nature and period of the unspent contributions are as follows:

Nature	Within 12 months \$ '000	Greater than 12 months \$ '000	Total \$ '000
Community Facilities	-	147	147
Developer Contributions	1,755	26,870	28,625
Library	-	35	35
Museum/Civic Services	96	-	96
Roads & Drainage	-	305	305
Waste Management	-	178	178
Other	12	23	35
Total	1,862	27,558	29,420

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations

	2019 \$ '000	2018 \$ '000
(a) Employee benefits and on-costs		
Salaries and wages	74,797	72,762
Employee termination costs	2,227	729
Employee leave entitlements (ELE)	14,212	13,690
Superannuation	9,490	9,253
Workers' compensation insurance	2,854	2,807
Fringe benefit tax (FBT)	599	534
Training costs (other than salaries and wages)	800	705
Other	1,169	1,092
Total employee costs	106,148	101,572
Less: capitalised costs	(4,267)	(4,153)
TOTAL EMPLOYEE COSTS EXPENSED	101,881	97,419

Accounting policy for employee benefits and on-costs

Employee benefit expenses are recorded when the service has been provided by the employee.

Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Superannuation plans

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 19 for more information.

	Notes	2019 \$ '000	2018 \$ '000
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans *		3,748	3,754
Other debts		–	75
Less: capitalised costs *		(242)	(76)
Total interest bearing liability costs expensed		3,506	3,753
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	14	1,663	142
Total other borrowing costs		1,663	142
TOTAL BORROWING COSTS EXPENSED		5,169	3,895

Accounting policy for borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

(*) Reclassification has occurred on comparative figures for this line item

	2019 \$ '000	2018 \$ '000
(c) Materials and contracts *		
Raw materials and consumables *	23,968	25,776
Contractor and consultancy costs	39,952	49,135
Auditors remuneration	302	305
Legal expenses:		
– Legal expenses: other *	600	686
Other	955	1,819
Total materials and contracts	65,777	77,721
TOTAL MATERIALS AND CONTRACTS	65,777	77,721

Accounting policy for operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Auditor remuneration

During the year, the following fees were incurred for services provided by the auditor of Council

Auditors of the Council: NSW Auditor-General:**(i) Audit and other assurance services**

Audit and review of financial statements	137	128
Other assurance services	–	–
Total fees paid or payable to the NSW Auditor-General	137	128

Other services: Other firms**(i) Audit and other assurance services**

Other audit and assurance services	165	177
Total fees paid or payable to other firms	165	177

(*) Reclassification has occurred on comparative figures for this line item

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

	Notes	2019 \$ '000	2018 \$ '000
(d) Depreciation, amortisation and impairment of intangible assets and IPP&E			
Depreciation and amortisation			
Plant and equipment		5,791	5,875
Office equipment		421	394
Furniture and fittings		183	155
Property, plant and equipment – leased		–	29
Land improvements (depreciable)		77	80
Infrastructure		32,177	30,004
Other assets:			
– Library books		930	994
Waste management asset		1,970	1,722
Newcastle airport		1,966	1,824
Intangible assets	12	1,325	1,273
Total depreciation and amortisation costs		44,840	42,350
Less: capitalised depreciation		(199)	(216)
Total depreciation and amortisation costs		44,641	42,134
Impairment / revaluation decrement of IPP&E			
Plant and equipment		3	–
Office equipment		70	–
Infrastructure		7	3,107
Total gross IPP&E impairment / revaluation decrement costs		80	3,107
Amounts taken through revaluation reserve		(7)	(2,820)
Total IPP&E impairment / revaluation decrement costs		73	287
Total depreciation, amortisation and impairment for intangibles and IPPE		44,714	42,421

Accounting policy for depreciation, amortisation and impairment expenses of intangibles and IPP&E**Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 10 for IPPE assets and Note 12 for intangible assets.

Depreciation is capitalised where in-house assets have contributed to new assets.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

	2019 \$ '000	2018 \$ '000
(e) Other expenses		
Cost of sales *	681	651
Bank charges	652	762
Councillor expenses – mayoral fee	96	88
Councillor expenses – councillors' fees	406	364
Councillors' expenses (incl. mayor) – other (excluding fees above)	107	143
Insurance	2,930	2,855
Street lighting	4,056	4,116
Electricity	1,853	1,902
Telephone and communications	1,108	836
Donations, contributions and assistance to other organisations (Section 356)	1,862	3,148
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	3,047	3,113
– NSW government waste levy	32,667	31,170
Newcastle airport	6,545	5,875
Rehabilitation and restoration expenses	17,782	–
S355 local committee working expenses	427	403
Volunteer services	789	–
Water	1,293	1,185
Write-down of inventories held for sale or distribution	20	–
Other *	1,211	1,404
Total other expenses	77,532	58,015
TOTAL OTHER EXPENSES	77,532	58,015

Accounting policy for other expenses

Other expenses are recorded on an accruals basis as the Council receives the goods or services.

(*) Reclassification has occurred on comparative figures for this line item.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

	Notes	2019 \$ '000	2018 \$ '000
Property, plant and equipment – PPE (excl. investment property)	10		
Proceeds from disposal – property, plant and equipment		18,018	1,789
Less: carrying amount of property, plant and equipment sold/written off		(17,630)	(3,343)
Net gain/(loss) on disposal		388	(1,554)
Infrastructure	10		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets sold/written off		(3,284)	(5,239)
Net gain/(loss) on disposal		(3,284)	(5,239)
Investment properties	11		
Proceeds from disposal – investment property		–	–
Less: carrying amount of investment property sold/written off		–	(21)
Net gain/(loss) on disposal		–	(21)
Non-current assets classified as ‘held for sale’	9		
Proceeds from disposal – non-current assets ‘held for sale’		2,650	905
Less: carrying amount of ‘held for sale’ assets sold/written off		(29)	(36)
Net gain/(loss) on disposal		2,621	869
Intangible assets	12		
Proceeds from disposal – intangible assets		–	–
Less: carrying amount of intangible assets sold/written off		–	(8)
Net gain/(loss) on disposal		–	(8)
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(275)	(5,953)

Accounting policy for disposal of assets

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(a). Cash and cash equivalent assets *

	2019 \$ '000	2018 \$ '000
Cash and cash equivalents		
Cash on hand and at bank	19,192	17,028
Cash-equivalent assets		
– Deposits at call	4,095	11,001
Total cash and cash equivalents	23,287	28,029

Accounting policy for cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

(*) Reclassification has occurred on comparative figures for this line item

Note 6(b). Investments

	2019 Current * \$ '000	2019 Non-current \$ '000	2018 Current * \$ '000	2018 Non-current \$ '000
Investments				
Financial assets at fair value through the profit and loss - held for trading	–	10,405	–	–
Debt securities at amortised cost / held to maturity investments (2018)	117,417	225,880	105,627	204,072
Total Investments	117,417	236,285	105,627	204,072
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	140,704	236,285	133,656	204,072
Financial assets at fair value through the profit and loss				
Managed funds	–	10,405	–	–
Total	–	10,405	–	–
Debt securities at amortised cost / held to maturity investments (2018)				
Term deposits – fixed rate	54,887	29,000	59,116	27,500
Term deposits – floating rate	8,000	36,500	8,501	31,500
Floating rate notes	46,496	143,294	37,010	127,048
Bonds *	8,034	17,086	1,000	18,024
Total	117,417	225,880	105,627	204,072

(*) Reclassification has occurred on comparative figures for this line item

Accounting policy for investments**Accounting policy under AASB 9 – applicable from 1 July 2018**

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Council has classified its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents, term deposits, floating rate notes, and bonds in the Statement of Financial Position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in managed funds in the Statement of Financial Position.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(b) Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Income Statement as gains and losses from investment securities.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

Impairment of financial assets

Council assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(c). Restricted cash, cash equivalents and investments – details

	2019 Current \$ '000	2019 Non-current \$ '000	2018 Current \$ '000	2018 Non-current \$ '000
Total cash, cash equivalents and investments	140,704	236,285	133,656	204,072
attributable to:				
External restrictions	23,639	33,922	16,153	37,607
Internal restrictions ¹	92,783	189,479	78,157	166,465
Unrestricted	24,282	12,884	39,346	–
	140,704	236,285	133,656	204,072

	2019 \$ '000	2018 \$ '000
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Details of restrictions

External restrictions – included in liabilities

Security bonds, deposits and retentions	1,556	1,418
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External restrictions – included in liabilities

	1,556	1,418
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External restrictions – other

Developer contributions – general	28,626	23,539
Specific purpose unexpended grants	4,523	6,839
Domestic waste management	12,975	13,373
Art Gallery – bequests and donations	1,636	1,738
Special rates - business districts	1,343	676
Rawson crown land reserve	2,912	2,175
Building better cities	3,195	3,152
Contributions to specific works programs	795	850

External restrictions – other	56,005	52,342
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Total external restrictions	57,561	53,760
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Internal restrictions

Employees leave entitlement ¹	17,559	16,907
Works program - new and upgrade ¹	29,134	21,633
Works program - priority projects (2012 SRV) ¹	4,241	6,222
Works program - infrastructure backlog ¹	111,430	122,245
Works program - specific projects ¹	23,338	4,110
Newcastle airport	14,752	15,057
Self insurance claims ¹	5,260	4,420
Section 355 committees and childcare	1,020	978
Superannuation - defined benefits ¹	2,509	3,774
Unexpended loans	–	5,767
Waste management - remediation provision ¹	64,148	41,603
Works carried forward	8,871	1,906

Total internal restrictions	282,262	244,622
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TOTAL RESTRICTIONS	339,823	298,382
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(1) Council adopted a new Restricted Cash Policy during the current year. Current and comparative figures have been classified in accordance with the revised policy

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables

	2019 Current \$ '000	2019 Non-current \$ '000	2018 Current \$ '000	2018 Non-current \$ '000
Purpose ²				
Rates and annual charges	4,113	626	3,642	599
Interest and extra charges ¹	292	142	356	136
User charges and fees	13,922	–	14,556	–
Accrued revenues				
– Interest on investments	1,698	–	1,757	–
Government grants and subsidies	34	–	9	–
Net GST receivable	1,890	–	623	–
Infringement Processing Bureau – NSW state govt.	1,752	808	1,177	697
Total	23,701	1,576	22,120	1,432
Less: provision of impairment				
Rates and annual charges	–	–	(177)	–
Interest and extra charges	–	–	(55)	–
User charges and fees	(101)	–	(173)	–
Infringement Processing Bureau – NSW state govt.	(122)	(93)	(106)	(63)
Total provision for impairment – receivables	(223)	(93)	(511)	(63)
TOTAL NET RECEIVABLES	23,478	1,483	21,609	1,369

(1) Interest was charged on overdue rates and charges at 7.50% (2018 7.50%). Generally all other receivables are non-interest bearing.

(2) Please refer to Note 20 for issues concerning credit risk and fair value disclosures.

Externally restricted receivables

Domestic waste management	675	109	654	108
Stormwater management	61	11	54	12
Other				
– Special rates	19	–	10	–
– Environmental levy	1	2	1	2
Total external restrictions	756	122	719	122
Unrestricted receivables	22,722	1,361	20,890	1,247
TOTAL NET RECEIVABLES	23,478	1,483	21,609	1,369

Accounting policy for receivables

Recognition and measurement

Receivables are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables (continued)

Impairment

Accounting policy under AASB 9 applicable from 1 July 2018

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Council uses the presentation that a financial asset is in default when the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held).

Credit losses are measured as the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

Council's receivables do not contain a significant financing component and therefore the simplified approach for calculating expected credit losses has been utilised (ie. the lifetime losses are estimated and recognised).

The Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

None of the receivables that have been written off are subject to enforcement activity.

Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate (unless immaterial) and any resulting difference to the carrying value is recognised in profit or loss.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets

	2019 Current \$ '000	2019 Non-current \$ '000	2018 Current \$ '000	2018 Non-current \$ '000
(a) Inventories				
(i) Inventories at cost				
Stores and materials	1,151	–	1,194	–
<u>TOTAL INVENTORIES</u>	<u>1,151</u>	<u>–</u>	<u>1,194</u>	<u>–</u>
(b) Other assets				
Prepayments	5,509	549	3,483	8
<u>TOTAL OTHER ASSETS</u>	<u>5,509</u>	<u>549</u>	<u>3,483</u>	<u>8</u>

Accounting policy for inventories and other assets

Stores and materials

Stores and materials are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Non-current assets classified as held for sale

Details of assets and disposal groups

Council has no parcels of land or buildings classified as held for sale.

Accounting policy for non-current assets classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as assets arising from employee benefits; financial assets; and investment properties that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Infrastructure, property, plant and equipment

	as at 30/6/2018			Asset movements during the reporting period						as at 30/6/2019		
	Gross carrying amount \$ '000	Accumulated depreciation and impairment \$ '000	Net carrying amount \$ '000	Renewals \$ '000	New assets \$ '000	Carrying value of disposals \$ '000	Depreciation \$ '000	Transfers \$ '000	Revaluation increments/ (decrements) \$ '000	Gross carrying amount \$ '000	Accumulated depreciation and impairment \$ '000	Net carrying amount \$ '000
Capital WIP	37,614	(1,558)	36,056	9,648	25,895	(291)	–	(15,549)	–	57,317	(1,558)	55,759
Plant and equipment	43,440	(22,827)	20,613	3,744	661	(165)	(5,791)	988	(3)	46,173	(26,126)	20,047
Office equipment	2,529	(1,298)	1,231	7	589	–	(421)	–	(70)	3,125	(1,789)	1,336
Furniture and fittings	1,939	(929)	1,010	58	42	–	(183)	–	–	2,039	(1,112)	927
Land:												
– Operational	116,372	–	116,372	–	283	(3,099)	–	(680)	168	113,044	–	113,044
– Community	60,832	–	60,832	–	6,702	–	–	–	8,148	75,682	–	75,682
– Crown	31,646	–	31,646	–	–	–	–	–	2,875	34,521	–	34,521
– Under roads (post 30/6/08)	5,055	–	5,055	–	1,448	–	–	–	2,892	9,395	–	9,395
– Depreciable land improvements	3,309	(2,448)	861	69	154	(30)	(77)	21	–	3,463	(2,465)	998
Infrastructure:												
– Buildings	355,797	(161,888)	193,909	3,765	6,342	(14,251)	(8,653)	8,335	15	354,753	(165,291)	189,462
– Other structures	73,703	(43,880)	29,823	534	766	(138)	(2,497)	641	–	72,974	(43,845)	29,129
– Roads	567,823	(260,512)	307,311	2,617	5,714	(1,378)	(10,489)	1,487	23,715	619,987	(291,010)	328,977
– Bridges	37,134	(12,924)	24,210	49	12	(17)	(384)	20	–	37,187	(13,297)	23,890
– Footpaths	195,560	(87,642)	107,918	1,074	1,554	(499)	(4,228)	975	8,237	214,002	(98,971)	115,031
– Bulk earthworks (non-depreciable)	157,558	(157)	157,401	–	–	(49)	–	3	12,929	170,441	(157)	170,284
– Stormwater drainage	228,114	(73,846)	154,268	793	1,312	(244)	(2,704)	815	11,200	247,037	(81,597)	165,440
– Swimming pools	25,234	(15,521)	9,713	–	–	–	(367)	–	–	25,234	(15,888)	9,346
– Other open space/recreational assets	30,604	(16,859)	13,745	149	1,930	(105)	(1,309)	1,982	–	34,353	(17,961)	16,392
– Other infrastructure	80,768	(39,775)	40,993	533	49	(533)	(1,546)	30	–	79,941	(40,415)	39,526
Other assets:												
– Heritage collections	59,439	–	59,439	–	1,030	–	–	350	–	60,819	–	60,819
– Library books	15,939	(9,771)	6,168	–	762	(98)	(930)	–	–	15,158	(9,256)	5,902
– Other	20	(20)	–	–	–	–	–	–	–	20	(20)	–
Waste Management Asset	30,339	(7,949)	22,390	–	3,221	–	(1,970)	–	–	33,560	(9,919)	23,641
Newcastle Airport	46,068	(16,123)	29,945	–	2,799	(17)	(1,966)	–	–	48,762	(18,001)	30,761
Total Infrastructure, property, plant and equipment	2,206,836	(775,927)	1,430,909	23,040	61,265	(20,914)	(43,515)	(582)	70,106	2,358,987	(838,678)	1,520,309

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Infrastructure, property, plant and equipment (continued)

	as at 30/6/2017			Asset movements during the reporting period						as at 30/6/2018		
	Gross carrying amount \$ '000	Accumulated depreciation and impairment \$ '000	Net carrying amount \$ '000	Renewals \$ '000	New assets \$ '000	Carrying value of disposals \$ '000	Depreciation \$ '000	Transfers \$ '000	Revaluation increments/ (decrements) \$ '000	Gross carrying amount \$ '000	Accumulated depreciation and impairment \$ '000	Net carrying amount \$ '000
Capital WIP	39,049	(1,558)	37,491	8,381	6,405	–	–	(16,221)	–	37,614	(1,558)	36,056
Plant and equipment	45,075	(21,097)	23,978	2,518	602	(614)	(5,875)	4	–	43,440	(22,827)	20,613
Office equipment	1,664	(905)	759	314	551	–	(394)	–	–	2,529	(1,298)	1,231
Furniture and fittings	1,358	(611)	747	347	–	(33)	(155)	104	–	1,939	(929)	1,010
Leased plant and equipment	232	(78)	154	–	–	(41)	(29)	(85)	–	–	–	–
Land:												
– Operational	81,392	–	81,392	–	729	–	–	(1,362)	35,613	116,372	–	116,372
– Community	60,690	–	60,690	–	163	(4)	–	(17)	–	60,832	–	60,832
– Crown	31,646	–	31,646	–	–	–	–	–	–	31,646	–	31,646
– Under roads (post 30/6/08)	4,724	–	4,724	–	331	–	–	–	–	5,055	–	5,055
– Depreciable land improvements	3,242	(2,400)	842	45	55	(12)	(80)	11	–	3,309	(2,448)	861
Infrastructure:												
– Buildings	276,208	(115,130)	161,078	2,763	1,565	(2,639)	(6,433)	371	37,204	355,797	(161,888)	193,909
– Other structures	64,685	(41,571)	23,114	1,164	9,613	(714)	(2,700)	480	(1,134)	73,703	(43,880)	29,823
– Roads	560,653	(251,492)	309,161	6,295	3,181	(2,044)	(10,453)	2,150	(980)	567,823	(260,512)	307,311
– Bridges	36,781	(12,585)	24,196	626	–	(267)	(380)	36	–	37,134	(12,924)	24,210
– Footpaths	194,076	(84,267)	109,809	2,142	683	(649)	(4,182)	588	(473)	195,560	(87,642)	107,918
– Bulk earthworks (non-depreciable)	157,529	–	157,529	10	29	(10)	–	–	(157)	157,558	(157)	157,401
– Stormwater drainage	225,101	(72,084)	153,017	1,819	1,241	(422)	(2,727)	1,341	–	228,114	(73,846)	154,268
– Swimming pools	25,234	(15,154)	10,080	–	–	–	(367)	–	–	25,234	(15,521)	9,713
– Other open space/recreational assets	30,119	(15,888)	14,231	542	135	(87)	(1,221)	145	–	30,604	(16,859)	13,745
– Other infrastructure	73,300	(43,028)	30,272	3,391	365	(735)	(1,541)	9,241	–	80,768	(39,775)	40,993
Other assets:												
– Heritage collections	54,511	–	54,511	–	4,932	(4)	–	–	–	59,439	–	59,439
– Library books	16,614	(10,154)	6,460	–	728	(26)	(994)	–	–	15,939	(9,771)	6,168
– Other	21	(20)	1	198	–	(259)	–	61	–	20	(20)	–
Waste Management Asset	30,339	(6,227)	24,112	–	–	–	(1,722)	–	–	30,339	(7,949)	22,390
Newcastle Airport	43,640	(14,406)	29,234	–	2,805	(22)	(1,824)	(249)	–	46,068	(16,123)	29,945
Total Infrastructure, property, plant and equipment	2,057,883	(708,655)	1,349,228	30,555	34,113	(8,582)	(41,077)	(3,402)	70,073	2,206,836	(775,927)	1,430,909

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at fair value. Independent comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Increases in the carrying amounts arising on revaluation are credited to the revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Land and Bulk earthworks are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

	Years		Years
Office equipment	3 to 5	Sealed roads: surface	19 to 80
Furniture and fittings	10	Sealed roads: pavement	120
Computer equipment	3 to 5	Sealed roads: kerb and gutter	80
Motor vehicles	4 to 5	Unsealed roads: surface	30
Other plant and equipment	3 to 50	Bridge: substructure, superstructure	75 to 100
Library books	3 to 100	Bridge: handrail, guardrail	50 to 100
Buildings ¹	20 to 100	Footways	30 to 50
Other structures ²	5 to 200	Other open space/recreational assets	7 to 60
Drainage	20 to 100	Other infrastructure	15 to 100
Swimming pools	50 to 100	Newcastle airport - plant & equipment	2 to 20
Roadside furniture	20	Newcastle airport - leasehold	3 to 33

¹ 100 year life is only applicable to building shell on 4 culturally significant buildings.

² 200 year life is only applicable to one leading light tower.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment.

Crown reserves

Crown reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Investment property

	2019 \$ '000	2018 \$ '000
(a) Investment property at fair value		
Investment property on hand	18,970	18,580
Reconciliation of annual movement:		
Opening balance	18,580	15,100
– Capitalised expenditure – this year	–	21
– Disposals during year	–	(21)
– Net gain/(loss) from fair value adjustments	(531)	1,659
– Other movements	921	1,821
CLOSING BALANCE – INVESTMENT PROPERTY	18,970	18,580

(b) Valuation basis

The basis of valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 2019 revaluations were based on independent assessments made by: Baker & Magin Valuers.

(c) Contractual obligations at reporting date

Refer to Note 18 for disclosures relating to any capital and service obligations that have been contracted.

(d) Leasing arrangements – Council as lessor

The investment properties are leased to tenants under long-term operating leases with rentals payable monthly.

Future minimum lease payments receivable under non-cancellable investment property operating leases not recognised in the financial statements are receivable as follows:

Within 1 year	1,404	1,515
Later than 1 year but less than 5 years	5,520	5,876
Later than 5 years	9,404	11,282
Total minimum lease payments receivable	16,328	18,673

(e) Investment property income and expenditure – summary

Rental income from investment property:		
Rental Income *	1,552	1,649
Direct operating expenses on investment property:		
– that generated rental income *	(232)	(226)
– that did not generate rental income *	(190)	(267)
Net revenue contribution from investment property	1,130	1,156
plus:		
Fair value movement for year	(531)	1,659
Total income attributable to investment property	599	2,815

Accounting policy for investment property

Investment property, principally comprising freehold buildings and land, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as part of other income.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Investment property (continued)

Properties that are under construction for future use as investment properties are regarded as investment property. These are also carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.

(*) Reclassification has occurred on comparative figures for this line item

Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Intangible assets

	2019 \$ '000	2018 \$ '000
Opening values at 1 July		
Gross book value	8,715	6,744
Accumulated amortisation	(3,061)	(1,800)
Net book value – opening balance	5,654	4,944
Movements for the year		
– Purchases	1,612	1,113
– Development costs	158	630
– Asset Cost transfers from other asset classes	–	249
– Amortisation charges	(1,325)	(1,239)
– Amortisation charges transferred from other asset classes	–	(34)
– Gross book value written off	–	(21)
– Accumulated amortisation charges written off	–	13
Closing values at 30 June		
Gross book value	10,484	8,715
Accumulated amortisation	(4,385)	(3,061)
<u>TOTAL INTANGIBLE ASSETS – NET BOOK VALUE</u>	<u>6,099</u>	<u>5,654</u>
The net book value of intangible assets represents:		
– Software	4,504	5,426
– Newcastle Airport	1,595	228
	6,099	5,654

Accounting policy for intangible assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

Costs capitalised include external direct costs of materials and service, direct payroll, and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from three to sixty years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, and where Council has an intention and ability to use the asset.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Payables and borrowings

	2019 Current \$ '000	2019 Non-current \$ '000	2018 Current \$ '000	2018 Non-current \$ '000
Payables				
Government departments and agencies *	179	–	88	–
Goods and services *	30,197	–	26,779	–
Accrued expenses:				
– Salaries and wages	2,985	–	3,146	–
– Newcastle Airport accruals	3,072	–	1,742	–
– Other expenditure accruals	455	–	390	–
Security bonds, deposits and retentions	1,556	–	1,418	–
Total payables	38,444	–	33,563	–
Income received in advance				
Payments received in advance	4,609	5,371	6,147	5,240
Total income received in advance	4,609	5,371	6,147	5,240
Borrowings				
Loans – secured ^{1, *}	3,866	50,657	3,491	54,089
Loans – Newcastle Airport *	–	6,250	–	6,250
Total borrowings	3,866	56,907	3,491	60,339
<u>TOTAL PAYABLES AND BORROWINGS</u>	46,919	62,278	43,201	65,579

(*) Reclassification has occurred on comparative figures for this line item.

(1) Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 20.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Payables and borrowings (continued)

(a) Current payables and borrowings not anticipated to be settled within the next twelve months

The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.

Total payables and borrowings

—	—

(b) Changes in liabilities arising from financing activities

	as at 30/6/2018					as at 30/6/2019
	Opening Balance \$ '000	Cash flows \$ '000	Non-cash acquisitions \$ '000	Non-cash fair value changes \$ '000	Other non-cash movements \$ '000	Closing balance \$ '000
Loans – secured	57,580	(3,057)	—	—	—	54,523
Loans - Newcastle Airport	6,250	—	—	—	—	6,250
TOTAL	63,830	(3,057)	—	—	—	60,773

	as at 30/6/2017					as at 30/6/2018
	Opening Balance \$ '000	Cash flows \$ '000	Non-cash acquisitions \$ '000	Non-cash fair value changes \$ '000	Other non-cash movements \$ '000	Closing balance \$ '000
Loans – secured	54,131	3,449	—	—	—	57,580
Loans - Newcastle Airport	6,250	—	—	—	—	6,250
TOTAL	60,381	3,449	—	—	—	63,830

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Payables and borrowings (continued)

	2019 \$ '000	2018 \$ '000
(c) Financing arrangements		
Total financing facilities available at reporting date:		
– Intraday facility	3,000	3,000
– Credit cards/purchase cards	350	350
– Loans - secured	54,523	57,580
– Loans - Newcastle Airport *	25,000	6,250
Total financing arrangements	82,873	67,180
Drawn facilities at reporting date:		
– Credit cards/purchase cards	31	39
– Loans - secured *	54,523	57,580
– Loans - Newcastle Airport *	6,250	6,250
Total drawn financing arrangements	60,804	63,869
Undrawn facilities at reporting date:		
– Intraday facility	3,000	3,000
– Credit cards/purchase cards	319	311
– Loans - secured *	–	–
– Loans - Newcastle Airport *	18,750	–
Total undrawn financing arrangements	22,069	3,311

Additional financing arrangements information

Breaches and defaults

During the current and prior year, there were no defaults or breaches on any of the loans.

Security over loans

Security provided by Council is by way of a deemed charge over Council's rates income.

Bank overdrafts

Council has an intraday overdraft facility on its main operating account which is utilised on occasion.

(*) Reclassification has occurred on comparative figures for this line item

Accounting policy for payables and borrowings

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Council comprise trade payables, bank and other loans.

Payables

These amounts represent liabilities for goods and services provided to the council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective-interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Payables and borrowings (continued)

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Loan covenants

Under the terms of a major borrowing facility, the group is required to comply with the following financial covenant:

- The debt ratio does not exceed 40%

Council has complied with this covenant throughout the reporting period. As at 30 June 2019 the debt ratio was 19%.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Provisions

	2019 Current \$ '000	2019 Non-current \$ '000	2018 Current \$ '000	2018 Non-current \$ '000
Provisions				
Employee benefits				
Annual leave	8,636	–	8,607	–
Sick leave	7,228	–	7,241	–
Long service leave	20,248	675	19,653	514
Termination benefits	2,023	–	–	–
Sub-total – employee benefits	38,135	675	35,501	514
Other provisions				
Asset remediation	10,691	53,457	250	41,352
Self insurance – workers compensation	960	3,850	870	3,330
Sub-total – other provisions	11,651	57,307	1,120	44,682
TOTAL PROVISIONS	49,786	57,982	36,621	45,196

	2019 \$ '000	2018 \$ '000
Current provisions not expected to be settled within the next 12 months	24,890	26,030

(a) Description of and movements in provisions

	Other provisions		
	Asset remediation \$ '000	Self insurance \$ '000	Total \$ '000
2019			
At beginning of year	41,602	4,200	45,802
Changes to provision:			
– Revised costs	16,157	1,610	17,767
– Revised discount rate	4,726	130	4,856
Amounts used (payments)	–	(1,130)	(1,130)
Unwinding of discount	1,663	–	1,663
Total other provisions at end of period	64,148	4,810	68,958
2018			
At beginning of year	41,461	4,420	45,881
– Revised costs	–	1,840	1,840
– Revised discount rate	–	(50)	(50)
Amounts used (payments)	–	(2,010)	(2,010)
Unwinding of discount	141	–	141
Total other provisions at end of period	41,602	4,200	45,802

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Provisions (continued)

Nature and purpose of non-employee benefit provisions

Asset remediation

The provision for asset remediation represents the present value of the future estimated costs Council will incur to remove, restore and remediate sites as a result of past and/or current operations.

Self insurance

Self insurance provisions represent both (i) claims incurred but not reported and (ii) claims reported and estimated as a result of Council being a self insurer up to certain levels of excess.

Accounting policy for provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense.

Employee benefits

Short-term obligations

Liabilities for salaries and wages (including annual leave and termination benefits expected to be wholly settled within 12 months of the reporting date within which the services are rendered) are measured at the amounts expected to be paid when the liabilities are settled. The liabilities for annual leave and termination benefits are recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

Liabilities for long service leave, accumulating sick leave and annual leave which is not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits and are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on Commonwealth government bonds, with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Provisions for close-down and restoration, and environmental clean-up costs

Restoration

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Provisions (continued)

Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting date, and the cost is charged to the Income Statement.

Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process, and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within infrastructure, property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Close-down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close-down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

Self insurance

Council has decided to self insure for workers compensation. A provision for self insurance has been made to recognise outstanding claims. Council also maintains cash and investments to meet expected future claims; refer to Note 6(c).

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

(a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements in the revaluation of non-current assets.

(b) Changes in accounting policies due to adoption of new accounting standards (not-retrospective)

During the year, Council adopted a number of new accounting standards. The impact of the adoption and associated transition disclosures are shown below.

The Council has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 July 2018. As part of the adoption of AASB 9, the Council adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- *AASB 101 Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the income statement. In prior years, this information was presented as part of other expenses.
- *AASB 7 Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9. These disclosures have been provided for the current year.

The key changes to Council's accounting policy and the impact on these financial statements from applying AASB 9 are described below. Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except Council has not restated any amounts relating to classification and measurement requirements, including impairment, which have been applied from 1 July 2018.

Classification of financial assets

The financial assets of Council have been reclassified into one of the following categories on adoption of AASB 9, based primarily on the business model in which a financial asset is managed and its contractual cash flow characteristics:

- measured at amortised cost
- fair value through profit or loss

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost. This has resulted in the earlier recognition of credit loss (bad debt provisions).

Transition adjustments

The impacts to reserves and retained earnings on adoption of AASB 9 at 1 July 2018 are shown below:

\$ '000	Notes	Available for sale invest- ment revaluation reserve	FVOCI reserve	Retained earnings	Non- controllin g interests	Total
Decrease in expected credit losses for trade receivables	(i)	–	–	94	–	94
Adjustments to equity as a result of adoption of AASB 9		–	–	94	–	94
Opening equity balances at 1 July 2018 – AASB 9		–	–	1,431,014	–	1,431,014

(i) Decrease in expected credit losses for trade receivables. The move to the expected credit loss model under AASB 9 has decreased the provision for trade receivables at 1 July 2018.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)**Classification of financial assets and liabilities**

The table below illustrates the classification and measurement of financial assets and liabilities under AASB 9 and AASB 139 at 1 July 2018.

\$ '000	Classific- ation under AASB 139	Classific- ation under AASB 9	Carrying amount under AASB 139	Reclassi- fication	Remeasu- rements	Carrying amount under AASB 9
Financial assets						
Trade and other receivables	Loans and receivables	Amortised cost	22,978	—	94	23,072
Cash and cash equivalents	Loans and receivables	Amortised cost	35,288	—	—	35,288
Term deposits - fixed rate ⁱ	Held to maturity	Amortised cost	79,357	—	—	79,357
Term deposits - floating rate	Held to maturity	Amortised cost	40,001	—	—	40,001
Floating rate notes ⁱ	Held to maturity	Amortised cost	164,058	—	—	164,058
Bonds ⁱ	Held to maturity	Amortised cost	19,024	—	—	19,024
Total financial assets under AASB 9 at 1 July 2018			360,706	—	94	360,800
Financial liabilities						
Secured loans	Other financial liabilities	Other financial liabilities	63,830	—	—	63,830
Trade payables	Other financial liabilities	Other financial liabilities	33,563	—	—	33,563
Total financial liabilities under AASB 9 at 1 July 2018			97,393	—	—	97,393

Notes to the table above**(i) Reclassification from 'held to maturity' to 'amortised cost'**

All investments that would previously have been classified as 'held to maturity' are now classified as 'amortised cost'. Council intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. There was no difference between the previous carrying amount and the revised carrying amount of these assets.

(c) Changes in accounting estimates**Nature and effect of changes in accounting estimates on current year**

During the current year, Council has revised the estimations relating to the remediation provision for a former landfill site. Cost estimates prepared from an independent remediation design for the site has resulted in an increase in the provision of \$19,325K. Refer to Note 14.

Nature and effect of changes in accounting estimates on future years

Revised estimations of remediation costs in the current year for the former landfill site will result in the recognition of increased costs in Council's Income Statement in future years. These increased costs relate to the unwinding of the discount within the remediation provision which will be expensed as borrowing costs in subsequent years.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Statement of cash flows - additional information

	Notes	2019 \$ '000	2018 \$ '000
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6(a)	23,287	28,029
Balance as per the Statement of Cash Flows		23,287	28,029

(b) Reconciliation of net operating result to cash provided from operating activities

Net operating result from Income Statement	40,446	24,673
Adjust for non-cash items:		
Depreciation and amortisation	44,641	42,134
Net losses/(gains) on disposal of assets	275	5,953
Non-cash capital grants and contributions	(13,959)	(6,406)
Reversal of prior year IPP&E revaluation decrements / impairment previously costed direct to the P&L	(3,475)	–
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	(405)	–
– Investment property	531	(1,659)
– Revaluation decrements / impairments of IPP&E direct to P&L	–	287
Amortisation of premiums, discounts and prior period fair valuations		
– Financial assets at amortised cost / held to maturity (2018)	56	54
Share of net (profits)/losses of associates/joint ventures using the equity method	95	(583)
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	(1,631)	(995)
Increase/(decrease) in provision for impairment of receivables	(258)	(333)
Decrease/(increase) in inventories	43	(214)
Decrease/(increase) in other current assets	(2,567)	(2,865)
Increase/(decrease) in payables	3,418	(4,253)
Increase/(decrease) in other accrued expenses payable	(96)	(73)
Increase/(decrease) in other liabilities	152	605
Increase/(decrease) in provision for employee benefits	2,795	907
Increase/(decrease) in other provisions	23,156	(482)
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	93,217	56,750

(c) Non-cash investing and financing activities

Other dedications	13,959	6,406
Total non-cash investing and financing activities	13,959	6,406

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Interests in other entities

	Council's share of net income		Council's share of net assets	
	2019 \$ '000	2018 \$ '000	2019 \$ '000	2018 \$ '000
Associates	(95)	583	970	1,065
Total	(95)	583	970	1,065

(a) Joint arrangements

Joint operations

Principal activity	Place of business	Interest in ownership		Interest in voting	
		2019 %	2018 %	2019 %	2018 %

(a) Council is involved in the following joint operations (JO's)

Name of joint operation:

Newcastle Airport Partnership	Civil aviation facilities	Williamstown	50%	50%	50%	50%
Greater Newcastle Aerotropolis Partnership	Civil aviation facilities	Williamstown	50%	0%	50%	0%

Council has entered into a joint arrangement, the Newcastle Airport Partnership, with a principal place of business of Williamstown, NSW. Under this arrangement, the partners hold rights to their share of assets and liabilities of the entity, and their unanimous consent is required for decisions regarding the relevant activities of the entity. Council has therefore classified this arrangement as a joint operation and has included its interests in the assets, liabilities, revenue and expenses of the partnership in the appropriate line items of the balance sheet and income statement respectively.

Council has entered into a joint arrangement, called Greater Newcastle Aerotropolis Partnership, with a principal place of business of Williamstown, NSW. Under this arrangement, the partners hold rights to their share of assets and liabilities of the entity, and their unanimous consent is required for decisions regarding the relevant activities of the entity. Council has therefore classified this arrangement as a joint operation and has included its interests in the assets, liabilities, revenue and expenses of the partnership in the appropriate line items of the balance sheet and income statement respectively.

Accounting policy for joint arrangements

Council has determined that it has two joint operations.

Joint operations:

In relation to its joint operations, where the Council has the rights to the individual assets and obligations arising from the arrangement, the Council has recognised:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

These figures are incorporated into the relevant line item in the primary statements.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Interests in other entities (continued)

(b) Associates

The following information is provided for associates that are individually material to the Council. Included are the amounts as per the individual associates' financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

(a) Net carrying amounts – Council's share

	Nature of relationship	Measurement method	2019 \$ '000	2018 \$ '000
Strategic Services Australia Limited	Associate	Equity	971	1,064
Total carrying amounts – material associates			971	1,064

(b) Details

Principal activity	Place of business
Strategic Services Australia Limited	Local Government Efficiency Initiative Thornton, NSW

(c) Relevant interests and fair values

	Quoted fair value		Interest in outputs		Interest in ownership		Proportion of voting power	
	2019 \$ '000	2018 \$ '000	2019 %	2018 %	2019 %	2018 %	2019 %	2018 %
Strategic Services Australia Limited	971	1,064	19%	19%	19%	19%	15%	15%

Although Council has less than 20% share of voting rights in SSA, Council has determined it has significant influence through its board representation on SSA.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Interests in other entities (continued)

	Strategic Services Australia Limited	
	2019 \$ '000	2018 \$ '000
(d) Summarised financial information for associates		
Statement of financial position		
Current assets		
Cash and cash equivalents	5,311	5,050
Other current assets	1,605	1,738
Non-current assets	329	471
Current liabilities		
Payables	636	682
Other current liabilities	1,605	1,068
Non-current liabilities		
Non-current financial liabilities (excluding trade and other payables and provisions)	20	40
Net assets	4,984	5,469
Reconciliation of the carrying amount		
Opening net assets (1 July)	5,469	2,468
Profit/(loss) for the period	(485)	3,001
Closing net assets	4,984	5,469
Council's share of net assets (%)	19%	19%
Council's share of net assets (\$)	971	1,064
Statement of comprehensive income		
Income	5,662	7,454
Income tax expense	(6,147)	(6,928)
Profit/(loss) from continuing operations	(485)	526
Profit/(loss) from discontinued operations	—	2,475
Profit/(loss) for period	(485)	3,001
Total comprehensive income	(485)	3,001
Share of income – Council (%)	19%	19%
Profit/(loss) – Council (\$)	(95)	583
Total comprehensive income – Council (\$)	(95)	583

Accounting policy for associates

Interests in associates are accounted for using the equity method in accordance with *AASB128 Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

If Council's share of losses of an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses. Council's share in the associate's gains or losses arising from transactions between itself and its associate are eliminated.

Adjustments are made to the associate's accounting policies where they are different from those of Council for the purposes of the consolidated financial statements.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Commitments

	2019 \$ '000	2018 \$ '000
(a) Capital commitments (exclusive of GST) *		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings *	3,184	5,487
Plant and equipment *	11,227	8,419
Road *	2,691	1,192
Other *	15,647	535
Total commitments	32,749	15,633
These expenditures are payable as follows:		
Within the next year *	31,837	14,633
Later than one year and not later than 5 years *	912	1,000
Total payable	32,749	15,633
Sources for funding of capital commitments:		
Unrestricted general funds *	32,749	15,633
Total sources of funding	32,749	15,633

Details of capital commitments

Building commitments include conservation of the Northern & Western Façade of Newcastle City Hall.

Plant and Equipment commitments include fit-out of office spaces, acquisition of new IT hardware and procurement of point of sale system for all Libraries.

Road commitments include replacement of the Tyrell St bridge in Wallsend.

Other commitments include construction of Cell 9 at Summerhill Waste Management Facility, construction of new playground and skate park at Stockton and rehabilitation works on stormwater pipes.

(*) Reclassification has occurred on comparative figures for this line item

(b) Operating lease commitments (non-cancellable)**a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable as follows:**

Within the next year *	682	976
Later than one year and not later than 5 years *	83	833
Total non-cancellable operating lease commitments	765	1,809

b. Non-cancellable operating leases include the following assets:

1. Office equipment with lease terms ranging from 3 - 5 years.
2. Heavy Plant items with lease terms of 3 years. Specific terms and conditions of the lease state that the provider is to maintain the plant and where the provider causes plant to be inoperable, no payment is due for inoperable period.
3. Property lease - Storage Space: 3 year term
4. Property Lease - Queens Wharf Wet Space: 20 year term

Conditions relating to finance and operating leases:

- All finance agreements are secured only against the leased asset.
- No lease agreements impose any financial restrictions on Council regarding future debt etc.

(*) Reclassification has occurred on comparative figures for this line item

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Contingencies and other assets/liabilities not recognised

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

LIABILITIES NOT RECOGNISED

1. Defined benefit superannuation contribution plans

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for the purposes of AASB 119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

Description of the funding arrangements.

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the fund.

The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are:

Division B	1.9 times member contributions for non-180 point members; Nil for 180 point members*
Division C	2.5% salaries
Division D	1.64 times member contributions

*For 180 point members, employers are required to contribute 7% of salaries to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40 million per annum from 1 July 2018 for 3 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2018. These additional lump sum contributions are used to maintain the adequacy of the funding position for accrued liabilities.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2019 was \$2,099,311. The last valuation of the Scheme was performed by Mr Richard Boyfeld, FIAA on 31 December 2018, and covers the period ended 30 June 2018.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Contingencies and other assets/liabilities not recognised (continued)

The amount of additional contributions included in the total employer contribution advised above is \$1,153,167. Council's expected employer contributions to the plan (including additional contributions) for the next annual reporting period is \$2,227,476.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2019 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	1,798.7	
Past Service Liabilities	1,784.2	100.8%
Vested Benefits	1,792.0	100.4%

*excluding member accounts and reserves in both assets and liabilities.

The share of this surplus that is broadly attributed to Council is 3.13% as at 30 June 2019.

Council's share of the surplus cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no asset for the surplus has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct any future deficiency.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	5.75% per annum
Salary inflation	3.5% per annum
Increase in CPI	2.5% per annum

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group.

2. Self Insurance - Workers Compensation

As at 30 June 2019 Council had provided a bank guarantee to the value of \$4.42 million to secure its self-insurance licence for Workers Compensation. The guarantee was provided to the State Insurance Regulatory Authority (SIRA). Subsequent to 30 June, the security requirement has increased to \$5.26 million. Council intends to hold a security bond for this value direct with SIRA in place of a bank guarantee.

3. Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30 June this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

4. Developer Contributions

Council receives Section 7.11 contributions and 7.12 levies upon various developments across the Council area through the required contribution plans. As part of these plans, Council has received funds for which it will be required to expend the monies in accordance with those plans.

As well, these plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's General Funds.

These future expenses do not yet qualify as liabilities as at the reporting date, but represent Council's intention to spend funds in the manner and timing set out in those plans.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Contingencies and other assets/liabilities not recognised (continued)

5. Other Contingent Liabilities

(i) Legal Proceedings

Council has been named the defendant in a number of proceedings by parties seeking compensation. Due to the considerable uncertainty in legal proceedings and the need to maintain legal professional privilege, this liability cannot be accurately determined at this time and as such has not been brought to account in the financial statements. Whilst no determination can be made as to the outcome of any particular matter, Council considers that there are meritorious defences available in those matters currently the subject of litigation. Any liability, including any legal costs liability, which may arise, should not have a material adverse effect on the Council's consolidated financial position.

(ii) Waratah Gas Works

In June 2016, Council received advice from the New South Wales Environment Protection Authority (EPA) that a gas works may have operated on land bounded by High Road, Turton Road and Georgetown Road in Waratah. The site was not listed in Council's contaminated land records or in the list of known gas works sites maintained by the EPA. A subsequent review of external historical sources confirmed that Waratah Municipal Council (WMC) operated a gas works in Waratah in the late 19th and early 20th century. The site was subsequently subdivided and now includes a number of privately owned residential lots as well as a number of public footpaths and roadways.

Legal responsibility is yet to be determined and no definitive position has been provided by the EPA. As such, Council is still in discussions with the EPA regarding this matter and no obligation has been reflected in the financial statements.

ASSETS NOT RECOGNISED

1. Lehman Brothers Australia

Council is a contingent creditor to the liquidation of Lehman Brothers Australia. Due to the considerable uncertainty in legal proceedings and the confidentiality surrounding the liquidation, the value and timing of the final distribution cannot be reliably determined. As such, Council has not recognised an asset in the financial statements.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial risk management

Risk management

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Financial risk management is carried out by Council's finance section under policies approved by the Council.

The fair value of cash and cash equivalents, receivables, payables, borrowings and investments at fair value through profit and loss approximates the carrying amount.

For those financial assets and liabilities where the total values don't approximate the carrying value, a comparison of the carrying amounts and fair values is presented below.

	Carrying value 2019 \$ '000	Carrying value 2018 \$ '000	Fair value 2019 \$ '000	Fair value 2018 \$ '000
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Financial assets

Measured at amortised cost

Investments

– 'Financial assets at amortised cost' / 'held to maturity' (2018) *	343,297	309,699	345,263	303,531
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Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. Council's Finance area manages the cash and Investments portfolio with the assistance of independent advisors.

Council has an investment policy which complies with the *Local Government Act 1993* and Ministerial Investment Order 625. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of investments may fluctuate due to changes in market prices, whether their changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments in accordance with the established risk management framework within the Council's Investment and Borrowing Policy.

Council also seeks advice from independent advisers, where deemed appropriate, before placing any funds in cash equivalents and investments.

(*) Reclassification has occurred on comparative figures for this line item

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial risk management (continued)

(a) Market risk – price risk and interest rate risk

The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
	\$ '000	\$ '000	\$ '000	\$ '000
2019				
Possible impact of a 13% movement in market values	1,353	1,353	(1,353)	(1,353)
Possible impact of a 1% movement in interest rates *	3,205	3,205	(3,205)	(3,205)
2018				
Possible impact of a 1% movement in interest rates *	2,922	2,922	(2,922)	(2,922)

(*) Reclassification has occurred on comparative figures for this line item

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

The major risk associated with these receivables is credit risk i.e. the risk that debts due and payable to Council may not be repaid in full. Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance. Council makes suitable provision for doubtful receivables as required.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

Credit risk profile

Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages the payment of debt.

	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2019						
Gross carrying amount	91	2,786	550	712	600	4,739
2018						
Gross carrying amount	84	2,219	552	568	818	4,241

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial risk management (continued)

Receivables - non-rates and annual charges

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. The expected credit losses incorporate forward-looking information. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2019 is determined as follows:

	Not yet overdue \$ '000	0 - 30 days overdue \$ '000	31 - 60 days overdue \$ '000	61 - 90 days overdue \$ '000	> 91 days overdue \$ '000	Total \$ '000
2019						
Gross carrying amount	8,644	7,719	1,846	321	2,008	20,538
Expected loss rate (%)	0.00%	0.92%	0.41%	0.88%	11.61%	1.53%
ECL provision	—	71	8	3	233	315

(c) Liquidity risk

Payables and borrowings are both subject to liquidity risk – the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

	Weighted average interest rate %	Subject to no maturity \$ '000	≤ 1 Year \$ '000	payable in: 1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
2019							
Trade/other payables	0.00%	1,556	36,888	—	—	38,444	38,444
Loans and advances	5.92%	—	13,659	26,463	43,451	83,573	60,773
Total financial liabilities		1,556	50,547	26,463	43,451	122,017	99,217
2018							
Trade/other payables	0.00%	1,418	32,145	—	—	33,563	33,563
Loans and advances	5.99%	—	7,037	37,677	36,698	81,412	63,830
Total financial liabilities		1,418	39,182	37,677	36,698	114,975	97,393

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Material budget variations

Council's original financial budget for 18/19 was adopted by the Council on 26/06/2018 and is unaudited.

While the Income Statement included in this General Purpose Financial Statements must disclose the original budget adopted by Council, the Local Government Act 1993 requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

Material variations represent those variances between the original budget figure and the actual result that amount to **10%** or more.

Variation Key: **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
REVENUES				
Rates and annual charges	168,957	171,736	2,779	2% F
User charges and fees	76,521	90,144	13,623	18% F
Tipping fees at City of Newcastle (CN)'s waste management facility are \$7m favourable as a direct result of securing additional tonnes through the agreement with Cleanaway and additional unplanned revenues have been received from several soil campaigns. In addition the Newcastle Airport and work performed for RMS are higher than budgeted.				
Interest and investment revenue	9,132	10,962	1,830	20% F
Higher than originally budgeted underlying cash and investment portfolio due to large scale variance between the originally budgeted works program and actuals, in combination with the sale proceeds from the CAC. Additionally, returns have also benefited from the diversification of a proportion of the portfolio into growth aligned asset classes.				
Other revenues	10,727	12,981	2,254	21% F
The major driver is the recognition of volunteer services income \$0.8m which was unbudgeted. In addition fines generated through parking and other regulatory services was above budget by \$0.7m.				
Operating grants and contributions	14,332	15,933	1,601	11% F
The general component of the financial assistance grant was \$1.4m higher than budgeted. This was due to the actual being above budget in addition to 6 months of the higher 2019/20 FAG being paid in advance.				
Capital grants and contributions	11,782	31,059	19,277	164% F
CN does not budget for the non-cash donations of infrastructure, subdivisions and culture assets.				
Reversal of revaluation decrements / impairment of IPP&E previously expensed	–	3,475	3,475	∞ F
CN does not budget for this item.				
Reversal of impairment losses on receivables	(359)	57	416	(116)% F
Change in accounting standard treatment, restatement of AASB 9.				

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Material budget variations

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
EXPENSES				
Employee benefits and on-costs	103,336	101,881	1,455	1% F
Borrowing costs	3,874	5,169	(1,295)	(33)% U
CN did not budget for the revision of the waste remediation provision for Astra St, additional borrowing costs included for the unwinding of the discount for the provision.				
Materials and contracts	71,531	65,777	5,754	8% F
Depreciation and amortisation	41,275	44,641	(3,366)	(8)% U
Other expenses	48,464	77,532	(29,068)	(60)% U
Revision of CN's waste remediation provision for Astra St, in addition, EPA state waste levy budget was prepared on total tonnes of approximately 166,500. Actual tonnes received were higher than anticipated.				
Net losses from disposal of assets	4,350	275	4,075	94% F
CN did not budget for the sale of the CAC.				
Fair value decrement on investment property	–	531	(531)	∞ U
CN does not budget for this item.				
Joint ventures and associates – net losses	–	95	(95)	∞ U
CN does not budget for this item.				
STATEMENT OF CASH FLOWS				
Net cash provided from (used in) operating activities	61,624	93,217	31,593	51% F
Council achieved a reduction in budgeted cash outflows due to the reduction in material and contract expenses, coupled with an increase in user fees and charges.				
Net cash provided from (used in) investing activities	(64,435)	(94,902)	(30,467)	47% U
Council placed higher than budgeted investments due to the a reduction in expenses relating to materials and contracts coupled with increases in budgeted income.				
Net cash provided from (used in) financing activities	(3,580)	(3,057)	523	(15)% F
Delay in reaching practical completion for the Solar Farm.				

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment; - Investment property; - Financial assets.

During the reporting period, Council has also fair value measured the following assets on a non-recurring basis:

- Non-current assets classified as 'held for sale'

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) Assets and liabilities that have been measured and recognised at fair values

2019	Notes	Fair value measurement hierarchy				Total
		Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobserv-able inputs	
Recurring fair value measurements						
Financial assets						
Investments	6(b)					
At fair value through profit or loss		30/06/19	–	10,405	–	10,405
Total financial assets			–	10,405	–	10,405
Investment property						
Commercial office and retail	11	30/06/19	–	–	18,970	18,970
Total investment property			–	–	18,970	18,970
Infrastructure, property, plant and equipment						
Plant and equipment	10	30/06/18	–	–	20,047	20,047
Office equipment		30/06/18	–	–	1,336	1,336
Furniture and fittings		30/06/18	–	–	927	927
Operational land		30/06/18	–	–	113,044	113,044
Community land		30/06/19	–	–	75,682	75,682
Crown land		30/06/19	–	–	34,521	34,521
Land under roads		30/06/19	–	–	9,395	9,395
Land improvements – depreciable		30/06/16	–	–	998	998
Buildings – non-specialised		30/06/18	–	–	3,517	3,517
Buildings – specialised		30/06/18	–	–	185,945	185,945
Other structures		30/06/16	–	–	29,129	29,129
Roads		30/06/19	–	–	328,977	328,977
Bridges		30/06/15	–	–	23,890	23,890
Footpaths		30/06/19	–	–	115,031	115,031
Stormwater drainage		30/06/19	–	–	165,440	165,440
Heritage collections		30/06/16	–	–	60,819	60,819
Library books		30/06/16	–	–	5,902	5,902
Waste management asset		01/07/16	–	–	23,641	23,641
Newcastle airport		30/06/15	–	–	30,761	30,761
Swimming pools		30/06/16	–	–	9,346	9,346
Other open space/rec assets		30/06/16	–	–	16,392	16,392

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

		Fair value measurement hierarchy				
2019	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Other Infrastructure		30/06/16	—	—	39,526	39,526
Bulk earthworks (non depreciable)		30/06/19	—	—	170,284	170,284
Total infrastructure, property, plant and equipment			—	—	1,464,550	1,464,550
Non-current assets classified as 'held for sale'	9					
Land and buildings		30/06/18	—	—	—	—
Total NCA's classified as 'held for sale'			—	—	—	—
		Fair value measurement hierarchy				
2018	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Recurring fair value measurements						
Financial assets						
Investments	6(b)					
At fair value through profit or loss			—	—	—	—
Total financial assets			—	—	—	—
Investment property	11					
Commercial office and retail		30/06/18	—	—	18,580	18,580
Total investment property			—	—	18,580	18,580
Infrastructure, property, plant and equipment	10					
Plant and equipment		30/06/18	—	—	20,613	20,613
Office equipment		30/06/18	—	—	1,231	1,231
Furniture and fittings		30/06/18	—	—	1,010	1,010
Operational land		30/06/18	—	—	116,372	116,372
Community land		30/06/16	—	—	60,832	60,832
Crown land		30/06/16	—	—	31,646	31,646
Land under roads		30/06/14	—	—	5,055	5,055
Land improvements – depreciable		30/06/16	—	—	861	861
Buildings – non-specialised		30/06/18	—	—	11,327	11,327
Buildings – specialised		30/06/18	—	—	182,582	182,582
Other structures		30/06/16	—	—	29,823	29,823
Roads		30/06/15	—	—	307,311	307,311
Bridges		30/06/15	—	—	24,210	24,210
Footpaths		30/06/15	—	—	107,918	107,918
Stormwater drainage		30/06/15	—	—	154,268	154,268
Heritage collections		30/06/16	—	—	59,439	59,439
Library books		30/06/16	—	—	6,168	6,168
Waste management asset		01/07/16	—	—	22,390	22,390
Newcastle airport		30/06/15	—	—	29,945	29,945
Swimming pools		30/06/16	—	—	9,713	9,713
Other open space/rec assets		30/06/16	—	—	13,744	13,744
Other Infrastructure		30/06/16	—	—	40,993	40,993
Bulk earthworks (non depreciable)		30/06/15	—	—	157,401	157,401
Total infrastructure, property, plant and equipment			—	—	1,394,852	1,394,852

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

2018	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Non-current assets classified as 'held for sale'						
Land and buildings		30/06/16	–	–	368	368
Total NCA's classified as 'held for sale'			–	–	368	368

Note that capital WIP is not included above since it is carried at cost.

(2) Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

(3) Valuation techniques used to derive level 2 and level 3 fair values

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

Financial assets

This asset class comprises funds invested into TCorp's Individually Managed Long Term Growth Fund.

The valuation applied to this fund is based on readily available and observable summary statements prepared and provided by the fund arranger, however, no active market exists for the fund as it is only accessible to government agencies.

Council's financial asset holding consists of an identifiable number of units held in the fund unit trust.

Investment property

Council obtains independent valuations of its investment property annually. A full revaluation is done every 3 years with a desktop valuation every other year. This ensures at the end of each reporting period the financial statements reflect the most up-to-date valuation.

The best evidence of Fair Value is the current price in an active market for similar assets. The following information is used where necessary:

- Current prices in an active market for different types of properties or similar properties in a less active market;
Discounted cash flow projections based on management's best estimates of future rental income and expenditure.

All investment property valuations are included in level 3 of the hierarchy. The key unobservable input is the price per metre.

The fair value of the investment properties are determined by independent, qualified valuers who have experience in the location of the properties. The Council reviews the valuation report and discusses significant movements with the valuers. As at 30 June 2019, desktop valuation of investment properties was performed by Baker & Magin Valuers, Director A D Magin, AAPI, Certified Practising Valuer (Business), Registered No. 2568.

There has been no change to the valuation process during the reporting period.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Infrastructure, property, plant and equipment (IPP&E)

Plant & Equipment, Office Equipment and Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

- Plant and Equipment
Motor vehicles, trucks, tractors, ride-on mowers, street sweepers, compactors and earthmoving equipment
- Office Equipment
Computer equipment, projectors, refrigerators, cameras and photocopiers.

The key unobservable inputs to the valuation are internal factors surrounding the remaining useful life, pattern of consumption, asset condition and residual value. Where items are of a material value, Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking into account the unobservable inputs mentioned.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Operational Land

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuation is based on market value.

Council's operational land is valued using market valuations with a comprehensive valuation completed and revalued every five years. However, at each reporting period carrying amount of assets is assessed against fair value for any material differences. The most recent full valuation was performed by Scott Fullarton Valuations Pty Ltd, Scott Fullarton FAPI CPP, Certified Practising Valuer, API Membership No. 67557, at 30 June 2018.

Council's operational land is reviewed for impairment and any material changes in value after identifying all elements that would be taken into account by buyers and sellers in setting the price, including but not limited to zoning, topography, location, size, shape, access, exposure to traffic and businesses. The condition of the asset and its future cash flows are also considered when determining the fair value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Community and Crown Land

Council's 'Community and Crown' land (including owned by Council, the Crown and various other Government Agencies that is managed by Council) by definition is land intended for public access and use or where other restrictions applying to the land create some obligation to maintain public access (such as a trust deed, dedication under section 7.11 of the Environment Planning and Assessment Act 1979). This gives rise to the restrictions in the Act, intended to preserve the qualities of the land.

Community and Crown Land:

- Cannot be sold;
- Cannot be leased, licensed, or any other estate granted over the land for more than 21 years and;
- Must have a plan of management for it.

Valuations of all Council's Community Land and Council managed land were based on the Unimproved Capital Values (UCV) provided by the Valuer-General which are not considered to be observable market evidence, therefore have been classified as Level 3.

Full revaluations of community and crown land are performed at least every 5 years, however at each reporting period carrying amount of assets is assessed against fair value for any material differences. The most recent full revaluation was performed as at 30 June 2019 by applying Valuer-General land values.

There has been no change to the valuation process during the reporting period.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Land Under Roads

Land under roads (LUR) is land under roadways and road reserves including land under footpaths, nature strips and median strips. Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment and Council recognised this asset for the first time in financial year 2008/09. The Land under Roads was valued in accordance with the Australian Accounting Standard AASB 116 Property, Plant and Equipment, and the Code of Accounting Practice and Financial Reporting.

Full revaluation of Land Under Roads values was performed at 30 June 2019 using valuation of Council's total LUR at the average unit rate of land and applying discounting factors which reflect the restrictions placed on such assets. This asset class is classified as Level 3 asset as significant inputs used in this methodology are unobservable.

There has been no change to the valuation process during the reporting period.

Land Improvements - Depreciable

The land improvements asset class consists of sports field drainage, landscaping, turf, irrigation and other small land improvements. These assets may be located in parks, reserves and sporting fields.

'Land Improvements' were valued in-house using the cost approach by experienced Council engineers and asset management staff. The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Buildings – Non Specialised and Specialised

Non-specialised buildings include commercial and general purpose buildings for which there is a secondary market. Specialised buildings are buildings designed for a specific limited purpose. Such buildings would include specialised buildings to house specialised infrastructure or plant and some heritage properties.

Council's buildings are re-valued every five years with the most recent full valuation undertaken as at 30 June 2018. Valuations were performed by external valuers Scott Fullarton Valuations Pty Ltd, GHD and Knight Frank Newcastle. At each reporting period carrying amount of assets is assessed against fair value for any material differences.

Non-Specialised Buildings

The market sale approach to the valuation of assets comprises reference to market evidence of the sale of the identical and or similar assets. The valuation aspects are generally, but not limited to, the location, size, condition, style and utility of the asset.

Replacement cost, asset condition, remaining useful life and building components are some of the inputs used in fair value determination. Since most of these inputs require judgement and are unobservable, the asset class has been classified as Level 3.

There has been no change to the valuation process during the reporting period.

Specialised Buildings

In determining the current cost of a specialised asset, reference is made to the cost of replacing the assets service potential and in doing so the Modern Engineering Equivalent Replacement Asset (MEERA) is adopted.

This approach estimates the replacement cost for each building by componentising the building (for complex structures) into significant parts with different useful lives and taking into account a range of factors such as the remaining useful life of the asset, condition, pattern of consumption and residual value.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Other Structures

In determining the current cost of a specialised asset, reference is made to the cost of replacing the assets service potential and in doing so the Modern Engineering Equivalent Replacement Asset (MEERA) is adopted. This asset class comprises of Council's outdoor shelters, memorials, monuments, floodlighting systems, Summerhill disposal cells, fencing and other smaller structures.

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors and by componentising its significant parts where applicable. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value.

Full revaluations of other structures are performed at least every 5 years, however at each reporting period carrying amount of assets is assessed against fair value for any material differences. This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Roads

In determining the current cost of a specialised asset, reference is made to the cost of replacing the assets service potential and in doing so the Modern Engineering Equivalent Replacement Asset (MEERA) is adopted.

This asset class comprises the following Road components – Surface, Pavement, Kerb & Gutter, Excavation and Roadside Furniture.

The cost approach was utilised to value roads by componentising the assets into significant parts and then rolling up these component values to provide an overall road valuation (for each road segment) within Council's Asset System. Input estimates such as the replacement costs (based on unit rates), pattern of consumption, asset condition and useful life requiring significant professional judgement which impacted significantly on the final determination of fair value.

Full revaluations of road assets are performed at least every 5 years, however at each reporting period carrying amount of assets is assessed against fair value for any material differences. The most recent desktop revaluation was performed internally as at 30 June 2019 by applying ABS Producer Price Indexes.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Bridges

In determining the current cost of a specialised asset, reference is made to the cost of replacing the assets service potential and in doing so the Modern Engineering Equivalent Replacement Asset (MEERA) is adopted.

Bridges were valued in house by experienced Council Engineering staff with condition data and unit rates updated by an Independent external consultant - Tasman Associates. This asset class is componentised into significant parts, comprising of the Bridge Substructure, Superstructure, Handrail/Guardrail and tunnel excavation, each with differing useful lives.

In order to apply fair valuation and condition based depreciation, the replacement cost has been determined for each component with unit rates supplied by Tasman Associates. Other input estimates like the useful life, condition ratings (1 – 5 rating), residual value and pattern of consumption have been used in the valuation of these assets and require significant professional judgement, therefore this asset class has been categorised as Level 3.

Full revaluations of bridges are performed at least every 5 years, however at each reporting period carrying amount of assets is assessed against fair value for any material differences.

There has been no change to the valuation process during the reporting period.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Footpaths

In determining the current cost of a specialised asset, reference is made to the cost of replacing the assets service potential and in doing so the Modern Engineering Equivalent Replacement Asset (MEERA) is adopted. This asset class comprises the following Road components – Footpaths.

Replacement costs (unit rates) and useful lives of Council's footpaths were determined using technical knowledge. Input estimates such as the replacement costs (based on unit rates), pattern of consumption, asset condition and useful life requiring significant professional judgement impacted significantly on the final determination of fair value.

Full revaluations of footpath assets are performed at least every 5 years, however at each reporting period carrying amount of assets is assessed against fair value for any material differences. The most recent desktop revaluation was performed internally as at 30 June 2019 by applying ABS Producer Price Indexes.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Bulk earthworks (non-depreciable)

In determining the current cost of a specialised asset, reference is made to the cost of replacing the assets service potential and in doing so the Modern Engineering Equivalent Replacement Asset (MEERA) is adopted.

The cost approach estimated the replacement cost for each asset taking into account a range of factors. Input estimates such as the replacement costs (based on unit rates) required significant professional judgement which impacted significantly on the final determination of fair value.

Full revaluations of bulk earthworks assets are performed at least every 5 years, however at each reporting period carrying amount of assets is assessed against fair value for any material differences. The most recent desktop revaluation was performed internally as at 30 June 2019 by applying ABS Producer Price Indexes.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Drainage Infrastructure

In determining the current cost of a specialised asset, reference is made to the cost of replacing the assets service potential and in doing so the Modern Engineering Equivalent Replacement Asset (MEERA) is adopted.

Council's Drainage Assets comprise pits, pipes, culverts, stormwater quality improvement devices, headwalls, open channels - civil, constructed water courses and excavation used to collect, store and remove stormwater.

The cost approach estimated the replacement cost for each asset with different useful lives and taking into account a range of factors. Inputs such as estimates of the pattern of consumption, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived underground assets there is uncertainty regarding the actual design, specifications and dimensions of some assets.

Full revaluations of stormwater drainage assets are performed at least every 5 years, however at each reporting period carrying amount of assets is assessed against fair value for any material differences. The most recent desktop revaluation was performed internally as at 30 June 2019 by applying ABS Producer Price Indexes.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Swimming Pools

In determining the current cost of a specialised asset, reference is made to the cost of replacing the assets service potential and in doing so the Modern Engineering Equivalent Replacement Asset (MEERA) is adopted.

This asset class comprises Council's outdoor swimming pools and ocean bath shells.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors and by componentising its significant parts where applicable. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value.

Full revaluations of swimming pool assets are performed at least every 5 years, however at each reporting period carrying amount of assets is assessed against fair value for any material differences.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Other Open Space/Recreational Assets

In determining the current cost of a specialised asset, reference is made to the cost of replacing the assets service potential and in doing so the Modern Engineering Equivalent Replacement Asset (MEERA) is adopted.

This asset class comprises of Council's outdoor skate facilities, sporting facilities, playgrounds and other smaller recreational assets.

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors and by componentising its significant parts where applicable. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Full revaluations of Open space/ Recreational assets are performed at least every 5 years, however at each reporting period carrying amount of assets is assessed against fair value for any material differences.

There has been no change to the valuation process during the reporting period.

Other Infrastructure

The other infrastructure asset class consists of ground level car parks, retaining walls, sea walls, boat ramps and other infrastructure assets. These assets may be located on parks, reserves and sporting fields.

'Other infrastructure' assets were valued in-house using the cost approach by experienced Council engineers and asset management staff. The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value.

Full revaluations of other infrastructure assets are performed at least every 5 years, however at each reporting period carrying amount of assets is assessed against fair value for any material differences.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Heritage Collections

Assets within this class comprise of Art Gallery and Museum collections. Market Value is used to determine the fair value of the Art Gallery and Museum Collections on a 5-year cycle.

Where items are of a material value, Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption and estimated remaining useful life.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Library Books

This asset category comprises of assets such as Media, Fiction, Non Fiction, Rare/Research Books and Local Studies. Library Books are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items.

Where items are of a material value, Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Other Assets

This asset category comprises of musical instrument assets.

The key unobservable inputs to the valuation are internal factors surrounding the remaining useful life, pattern of consumption, asset condition and residual value. Where items are of a material value, Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking into account the unobservable inputs mentioned.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Waste Management Asset - Summerhill

The Summerhill Waste Management Centre encompasses a landfilling operation as well as a wide range of waste disposal services, resource recovery services, recycled and reclaimed products, and waste management educational activities. It has been recognised that there will be significant costs associated with the closure and post closure management of the landfill site.

Closure of the landfill will involve a wide range of activities including preparation of a Landfill Closure and Management Plan, final capping of the landfill waste and site re-vegetation, revision of the surface water management system and leachate management infrastructure to suit post-closure operation, decommissioning and removing infrastructure and equipment that will not be required post-closure, and fencing sensitive infrastructure.

An Evaluation of Costs for the Landfill Closure and Post Closure Management was prepared by Summerhill's Senior Management during 2015. The key unobservable inputs are the discount rate, cost escalation rate, actual timing of costs and future environmental management requirements.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Newcastle Airport

Council is involved in a joint operation with Port Stephens Council for the operation of civil aviation facilities at Newcastle Airport. The legal structure of the entity controlling the assets and operations of the Airport is now structured as a partnership. The Partners are Newcastle City Council (NCC) and Port Stephens Council (PSC). Under this structure NCC and PSC hold the rights to their share of the assets and their share of the obligations in the partnership.

This asset category comprises of Property, Plant, Equipment and Infrastructure assets. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items.

The key unobservable inputs to the valuation are internal factors surrounding the remaining useful life, pattern of consumption, asset condition and residual value. This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Non-current assets classified as 'held for sale'

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale and are presented separately from the other assets in the statement of financial position. This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There has been no change to the valuation process during the reporting period.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

(4) Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

	Investment property \$ '000	Plant and equipment \$ '000	Office equipment \$ '000	Furniture and fittings \$ '000	Operational Land \$ '000
2018					
Opening balance	15,100	23,978	759	747	81,392
Transfers from/(to) another asset class	1,821	4	–	104	(1,362)
Purchases (GBV)	21	3,120	866	347	729
Disposals (WDV)	(21)	(614)	–	(33)	–
Depreciation and impairment	–	(5,875)	(394)	(155)	–
FV gains – Income Statement ¹	1,659	–	–	–	–
Revaluation increment (decrement)	–	–	–	–	35,613
Closing balance	18,580	20,613	1,231	1,010	116,372
2019					
Opening balance	18,580	20,613	1,231	1,010	116,372
Transfers from/(to) another asset class	921	988	–	–	(680)
Purchases (GBV)	–	4,405	596	100	283
Disposals (WDV)	–	(165)	–	–	(3,099)
Depreciation and impairment	–	(5,794)	(491)	(183)	–
FV gains – Income Statement ¹	(531)	–	–	–	–
Revaluation increment (decrement)	–	–	–	–	168
Closing balance	18,970	20,047	1,336	927	113,044

(1) FV gains recognised in the Income Statement relating to assets still on hand at year end total

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

	Community Land \$ '000	Land under Roads \$ '000	Land improvement s depreciable \$ '000	Buildings non-specialis ed \$ '000	Buildings specialised \$ '000
2018					
Opening balance	60,690	4,724	842	10,139	150,939
Transfers from/(to) another asset class	(17)	–	11	(566)	937
Purchases (GBV)	163	331	100	1,265	3,063
Disposals (WDV)	(4)	–	(12)	(1,047)	(1,592)
Depreciation and impairment	–	–	(80)	(399)	(6,321)
FV gains – other comprehensive income	–	–	–	–	(549)
Revaluation increment (decrement)	–	–	–	2,153	35,887
Closing balance	60,832	5,055	861	11,545	182,364
2019					
Opening balance	60,832	5,055	861	11,545	182,364
Transfers from/(to) another asset class	–	–	21	–	8,335
Purchases (GBV)	6,702	1,448	223	39	10,067
Disposals (WDV)	–	–	(30)	(7,921)	(6,329)
Depreciation and impairment	–	–	(77)	(146)	(8,522)
Revaluation increment (decrement)	4,600	2,892	–	–	30
Reversal of revaluation decrement in Income Statement	3,548	–	–	–	–
Closing balance	75,682	9,395	998	3,517	185,945

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

	Other structures \$ '000	Roads \$ '000	Bridges \$ '000	Footpaths \$ '000	Bulk earthworks (non-deprecia- ble) \$ '000
2018					
Opening balance	23,114	309,161	24,196	109,809	157,529
Transfers from/(to) another asset class	480	2,151	35	588	–
Purchases (GBV)	10,777	9,476	626	2,825	39
Disposals (WDV)	(714)	(2,044)	(267)	(649)	(10)
Depreciation and impairment	(2,700)	(10,453)	(380)	(4,182)	–
FV gains – other comprehensive income	(1,134)	(980)	–	–	(157)
Revaluation increment (decrement)	–	–	–	(473)	–
Closing balance	29,823	307,311	24,210	107,918	157,401
2019					
Opening balance	29,823	307,311	24,210	107,918	157,401
Transfers from/(to) another asset class	641	1,487	20	975	3
Purchases (GBV)	1,300	8,331	61	2,628	–
Disposals (WDV)	(138)	(1,378)	(17)	(499)	(49)
Depreciation and impairment	(2,497)	(10,481)	(384)	(4,228)	–
Revaluation increment (decrement)	–	23,707	–	8,237	12,929
Closing balance	29,129	328,977	23,890	115,031	170,284

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

	Stormwater drainage \$ '000	Swimming pools \$ '000	Other open space/recreati onal assets \$ '000	Other infrastructure \$ '000	Heritage collections \$ '000
2018					
Opening balance	153,017	10,080	14,231	30,272	54,511
Transfers from/(to) another asset class	1,341	–	145	9,241	–
Purchases (GBV)	3,060	–	677	3,756	4,932
Disposals (WDV)	(422)	–	(87)	(735)	(4)
Depreciation and impairment	(2,728)	(367)	(1,221)	(1,541)	–
Closing balance	154,268	9,713	13,745	40,993	59,439
2019					
Opening balance	154,268	9,713	13,745	40,993	59,439
Transfers from/(to) another asset class	815	–	1,982	30	350
Purchases (GBV)	2,106	–	2,079	582	1,030
Disposals (WDV)	(244)	–	(105)	(533)	–
Depreciation and impairment	(2,705)	(367)	(1,309)	(1,546)	–
Revaluation increment (decrement)	11,200	–	–	–	–
Closing balance	165,440	9,346	16,392	39,526	60,819

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

	Library books \$ '000	Other assets \$ '000	Waste management asset \$ '000	Newcastle airport \$ '000	Leased Plant and Equipment \$ '000
2018					
Opening balance	6,460	1	24,112	29,234	154
Transfers from/(to) another asset class	–	61	–	(249)	(84)
Purchases (GBV)	728	198	–	2,805	–
Disposals (WDV)	(26)	(260)	–	(21)	(41)
Depreciation and impairment	(994)	–	(1,722)	(1,824)	(29)
Closing balance	6,168	–	22,390	29,945	–
2019					
Opening balance	6,168	–	22,390	29,945	–
Purchases (GBV)	762	–	–	2,799	–
Disposals (WDV)	(98)	–	–	(17)	–
Depreciation and impairment	(930)	–	(1,970)	(1,966)	–
Other movement	–	–	3,221	–	–
Closing balance	5,902	–	23,641	30,761	–

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

	Crown land \$ '000	Total \$ '000
2018		
Opening balance	31,646	1,326,837
Transfers from/(to) another asset class	—	14,641
Purchases (GBV)	—	49,904
Disposals (WDV)	—	(8,603)
Depreciation and impairment	—	(41,365)
FV gains – other comprehensive income	—	(2,820)
FV gains – Income Statement ¹	—	1,659
Revaluation increment (decrement)	—	73,180
Closing balance	31,646	1,413,433
2019		
Opening balance	31,646	1,413,433
Transfers from/(to) another asset class	—	15,888
Purchases (GBV)	—	45,541
Disposals (WDV)	—	(20,622)
Depreciation and impairment	—	(43,596)
FV gains – Income Statement ¹	—	(531)
Revaluation increment (decrement)	2,875	66,638
Reversal of revaluation decrement in Income Statement	—	3,548
Other movement	—	3,221
Closing balance	34,521	1,483,520

(1) FV gains recognised in the Income Statement relating to assets still on hand at year end total

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

b. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

Investment Properties

Class	Fair value (30/6/19) \$'000	Valuation technique/s	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to Fair Value
Investment Properties	18,970	Market Value	<ul style="list-style-type: none"> Estimated Rental Value (rate per square metre) Rental Yield Capitalisation rates of similar properties 	<ul style="list-style-type: none"> \$ per sqm 5% - 7% 5% - 10% 	Significant changes in the market value, estimated rental yield and recent sales prices of similar properties would result in significant changes to Fair Value measurement.

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Class	Fair value (30/6/19) \$'000	Valuation technique/s	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to Fair Value
Plant & Equipment	20,047	Cost Approach	<ul style="list-style-type: none"> Current Replacement Cost of Modern Equivalent asset Remaining Useful Life 	<ul style="list-style-type: none"> Varies significantly from asset to asset 1 to 50 years 	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to Fair Value measurement.
Office Equipment	1,336	Cost Approach	<ul style="list-style-type: none"> Current Replacement Cost of Modern Equivalent asset Remaining Useful Life 	<ul style="list-style-type: none"> Varies significantly from asset to asset 1 to 5 years 	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to Fair Value measurement.
Furniture & Fittings	927	Cost Approach	<ul style="list-style-type: none"> Current Replacement Cost of Modern Equivalent asset Remaining Useful Life 	<ul style="list-style-type: none"> Varies significantly from asset to asset 1 to 10 years 	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to Fair Value measurement.
Operational Land	113,044	Market Value	<ul style="list-style-type: none"> Total Value of land 	<ul style="list-style-type: none"> Unit Rates (\$ per sq metre) variable dependent on site 	Significant changes in the rate per square metre would result in significant changes to Fair Value measurement.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Class	Fair value (30/6/19) \$'000	Valuation technique/s	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to Fair Value
Community Land	75,682	Valuer General (VG) Valuation	<ul style="list-style-type: none"> Average Unit Rate based on VG Valuations 	<ul style="list-style-type: none"> VG Assessment 	Significant changes in the unimproved capital value would result in significant changes to Fair Value measurement.
Crown Land	34,521	Valuer General (VG) Valuation	<ul style="list-style-type: none"> Average Unit Rate based on VG Valuations 	<ul style="list-style-type: none"> VG Assessment 	Significant changes in the unimproved capital value would result in significant changes to Fair Value measurement.
Land Under Roads	9,395	Discounted average land value approach	<ul style="list-style-type: none"> Average Unit Rate based on total land valuation Discounting factors 	<ul style="list-style-type: none"> Unit Rate (\$ per square metre) based on total land within area on control 65% adjustment factor for Englobo value and 25% for access rights (cumulative discount of 90%) 	Significant changes in the unimproved capital value would result in significant changes to Fair Value measurement.
Land Improvements – Depreciable	998	Cost Approach	<ul style="list-style-type: none"> Current Replacement Cost of Modern Equivalent asset Remaining Useful Life Asset Condition 	<ul style="list-style-type: none"> Varies significantly from asset to asset 1 to 80 years Very poor to excellent 	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to Fair Value measurement.
Buildings – Specialised	185,945	Cost Approach	<ul style="list-style-type: none"> Current Replacement Cost of Modern Equivalent asset Remaining Useful Life Asset Condition 	<ul style="list-style-type: none"> Varies significantly from asset to asset 1 to 100 years Very poor to excellent 	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to Fair Value measurement.
Buildings - Non Specialised	3,517	Market Value	<ul style="list-style-type: none"> Market Value Asset Condition 	<ul style="list-style-type: none"> Varies significantly from asset to asset Very poor to excellent 	Significant changes in the market value, asset condition and recent sales prices of similar properties would result in significant changes in Fair Value measurement.
Other Structures	29,129	Cost Approach	<ul style="list-style-type: none"> Current Replacement Cost of Modern Equivalent asset Remaining Useful Life Asset Condition 	<ul style="list-style-type: none"> Varies significantly from asset to asset 1 to 200 years Very poor to excellent 	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to Fair Value measurement.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Class	Fair value (30/6/19) \$'000	Valuation technique/s	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to Fair Value
Roads	328,977	Cost Approach	<ul style="list-style-type: none"> • Current Replacement Cost of Modern Equivalent asset • Remaining Useful Life • Asset Condition 	<ul style="list-style-type: none"> • Varies significantly from asset to asset • 1 to 120 years • Very poor to excellent 	Significant changes in the gross replacement value, asset condition or pattern of consumption affecting the remaining useful life would result in significant changes to Fair Value measurement.
Bridges	23,890	Cost Approach	<ul style="list-style-type: none"> • Current Replacement Cost of Modern Equivalent asset • Remaining Useful Life • Asset Condition 	<ul style="list-style-type: none"> • Varies significantly from asset to asset • 1 to 100 years • Very poor to excellent 	Significant changes in the gross replacement value, asset condition or pattern of consumption affecting the remaining useful life would result in significant changes to Fair Value measurement.
Footpaths	115,031	Cost Approach	<ul style="list-style-type: none"> • Current Replacement Cost of Modern Equivalent asset • Remaining Useful Life • Asset Condition 	<ul style="list-style-type: none"> • Varies significantly from asset to asset • 1 to 50 years • Very poor to excellent 	Significant changes in the gross replacement value, asset condition or pattern of consumption affecting the remaining useful life would result in significant changes to Fair Value measurement.
Bulk earthworks (non depreciable)	170,284	Cost Approach	<ul style="list-style-type: none"> • Average Unit Rate 	<ul style="list-style-type: none"> • Unit Rates (\$ per cubic metre) 	Significant changes to the average unit rate would result in significant changes to Fair Value Measurement.
Stormwater Drainage	165,440	Cost Approach	<ul style="list-style-type: none"> • Current Replacement Cost of Modern Equivalent asset • Remaining Useful Life • Asset Condition 	<ul style="list-style-type: none"> • Varies significantly from asset to asset • 1 to 100 years • Very poor to excellent 	Significant changes in the gross replacement value, asset condition or pattern of consumption affecting the remaining useful life would result in significant changes to Fair Value measurement.
Swimming Pools	9,346	Cost Approach	<ul style="list-style-type: none"> • Current Replacement Cost of Modern Equivalent asset • Remaining Useful Life • Asset Condition 	<ul style="list-style-type: none"> • Varies significantly from asset to asset • 1 to 100 years • Very poor to excellent 	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to Fair Value measurement.
Other Open Space/ Recreational Assets	16,392	Cost Approach	<ul style="list-style-type: none"> • Current Replacement Cost of Modern Equivalent asset • Remaining Useful Life • Asset Condition 	<ul style="list-style-type: none"> • Varies significantly from asset to asset • 1 to 60 years • Very poor to excellent 	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to Fair Value measurement.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Class	Fair value (30/6/19) \$'000	Valuation technique/s	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to Fair Value
Other Infrastructure	39,526	Cost Approach	<ul style="list-style-type: none"> Current Replacement Cost of Modern Equivalent asset Remaining Useful Life Asset Condition 	<ul style="list-style-type: none"> Varies significantly from asset to asset 1 to 100 years Very poor to excellent 	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to Fair Value measurement.
Heritage Collections	60,819	Market Value	<ul style="list-style-type: none"> Current Replacement Cost of Modern Equivalent asset Asset Condition 	<ul style="list-style-type: none"> Varies significantly from asset to asset Very poor to excellent 	Significant changes in the market value, asset condition or residual value would result in significant changes to Fair Value measurement.
Library Books	5,902	Cost Approach	<ul style="list-style-type: none"> Current Replacement Cost of Modern Equivalent asset Remaining Useful Life Asset Condition 	<ul style="list-style-type: none"> Varies significantly from asset to asset 1 to 100 years Very poor to excellent 	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to Fair Value measurement.
Waste Management Asset	23,641	Cost Approach	<ul style="list-style-type: none"> Discount Rate Cost escalation rate 	<ul style="list-style-type: none"> 2.95% 3% 	Significant changes in the discount rate and cost escalation rate would result in significant changes to Fair Value measurement.
Newcastle Airport	30,761	Cost Approach	<ul style="list-style-type: none"> Current Replacement Cost of Modern Equivalent asset Remaining Useful Life 	<ul style="list-style-type: none"> Varies significantly from asset to asset 1 to 33 years 	Significant changes in the gross replacement value, asset condition, and pattern of consumption effecting the remaining useful life or residual value would result in significant changes to Fair Value measurement.

c. The valuation process for level 3 fair value measurements

The valuation process has been detailed in the accompanying notes for all asset classes within Level 3.

(5) Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 23. Related Party Transactions

(a) Key management personnel

Key management personnel (KMP) of the Council are those persons having the authority and responsibility for planning, directing and controlling the activities of the Council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

	2019 \$ '000	2018 \$ '000
Compensation:		
Short-term benefits	5,139	4,798
Post-employment benefits	375	371
Termination benefits	14	625
Total	5,528	5,794

(b) Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction	Ref	Value of transactions during year \$ '000	Outstanding balances (incl. loans and commitments) \$ '000	Terms and conditions	Provisions for impairment of receivables outstanding \$ '000	Expense recognised for impairment of receivables \$ '000
2019						
Employee expenses relating to close family members	1	65	—	Council Staff Award	—	—
2018						
Employee expenses relating to close family members	1	194	—	Council Staff Award	—	—

1 Close family members of Council's KMP are employed by Newcastle City Council under current Council award on an arm's length basis. There were 2 close family members of KMP employed by Council during the 2018 - 2019 financial year whilst in the 2017-2018 financial year, there were 3 close family members.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 24. Statement of developer contributions

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

Summary of contributions and levies

	as at 30/6/2018	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/6/2019	Cumulative internal borrowings due/(payable)
	Opening Balance \$ '000	Cash \$ '000	Non-cash \$ '000	\$ '000	\$ '000	\$ '000	Held as restricted asset \$ '000	\$ '000
Traffic and transport	937	27	–	18	(1)	–	981	–
Social infrastructure	10,681	344	–	208	(8)	–	11,225	–
Open space	341	48	–	–	(389)	–	–	–
Community facilities	449	63	–	10	–	–	522	–
Recreation	1,159	201	–	13	(693)	–	680	–
S7.11 contributions – under a plan	13,567	683	–	249	(1,091)	–	13,408	–
S7.12 levies – under a plan	9,943	5,796	–	281	(832)	–	15,188	–
Total S7.11 and S7.12 revenue under plans	23,510	6,479	–	530	(1,923)	–	28,596	–
S7.4 planning agreements	29	–	–	1	–	–	30	–
Total contributions	23,539	6,479	–	531	(1,923)	–	28,626	–

Notes to the Financial Statements

for the year ended 30 June 2019

Note 24. Statement of developer contributions (continued)

	as at 30/6/2018	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/6/2019	Cumulative internal borrowings due/(payable)
	Opening Balance \$ '000	Cash \$ '000	Non-cash \$ '000	\$ '000	\$ '000	\$ '000	Held as restricted asset \$ '000	\$ '000
S7.11 Contributions – under a plan								
Contribution plan – Western Corridor								
Traffic and transport	937	27	–	18	(1)	–	981	–
Social infrastructure	10,681	344	–	208	(8)	–	11,225	–
Total	11,618	371	–	226	(9)	–	12,206	–
Contribution plan – Fern Bay cross boundary								
Open space	341	48	–	–	(389)	–	–	–
Community facility	449	63	–	10	–	–	522	–
Recreation	1,159	201	–	13	(693)	–	680	–
Total	1,949	312	–	23	(1,082)	–	1,202	–
S7.12 Levies – under a plan								
Contribution plan 2009 - section 94A development								
Other	9,943	5,796	–	281	(832)	–	15,188	–
Total	9,943	5,796	–	281	(832)	–	15,188	–
S7.4 planning agreements								
S7.4 planning agreements								
Other	29	–	–	1	–	–	30	–
Total	29	–	–	1	–	–	30	–

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2019	Indicator 2019	Prior period 2018	Benchmark
1. Operating performance ratio [*]				
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	6,408	2.13%	1.78%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	301,408			
2. Own source operating revenue ratio [*]				
Total continuing operating revenue excluding all grants and contributions ¹	283,999	85.42%	86.50%	>60.00%
Total continuing operating revenue ¹	332,467			
3. Unrestricted current ratio ³				
Current assets less all external restrictions	146,447	2.08x	2.80x	>1.50x
Current liabilities less specific purpose liabilities	70,259			
4. Debt service cover ratio				
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	56,218	6.83x	7.36x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	8,226			
5. Rates and annual charges outstanding percentage				
Rates and annual charges outstanding	5,173	2.95%	2.74%	<10.00%
Rates and annual charges collectible	175,116			
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	151,674	7.57 mths	7.11 mths	>3.00 mths
Monthly payments from cash flow of operating and financing activities	20,032			

(*) Reclassification has occurred on comparative figures for this line item

(1) Excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets, and net gain on share of interests in joint ventures and associates

(2) Excludes impairment/revaluation decrements, net loss on sale of assets, and net loss on share of interests in joint ventures and associates

(3) Council adopted a new Restricted Cash Policy during the current year which affects the calculation of the unrestricted current ratio. Current and comparative indicators have been calculated in accordance with the revised policy



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Newcastle City Council

To the Councillors of the Newcastle City Council

Opinion

I have audited the accompanying financial statements of Newcastle City Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been presented, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 21 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Furqan Yousuf

Delegate of the Auditor-General for New South Wales

11 October 2019
SYDNEY



Cr Nuatali Nelmes
Lord Mayor
Newcastle City Council
PO Box 489
NEWCASTLE NSW 2300

Contact: Furqan Yousuf
Phone no: 02 9275 7470
Our ref: D1923578/1770

14 October 2019

Dear Lord Mayor Nelmes

**Report on the Conduct of the Audit
for the year ended 30 June 2019
Newcastle City Council**

I have audited the general purpose financial statements (GPFS) of the Newcastle City Council (the Council) for the year ended 30 June 2019 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2019 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2019 \$m	2018 \$m	Variance %
Rates and annual charges revenue	171.7	158.9	8.1
Grants and contributions revenue	47.0	40.2	16.9
Operating result for the year	40.4	24.7	63.6
Net operating result before capital grants and contributions	9.4	1.1	754.5

The Council's operating result for the year was a surplus of \$40.4 million, which was \$15.7 million higher than the 2017–18 operating result. The Council's net operating result before capital grants and contributions was a surplus of \$9.4 million, which was \$8.3 million higher than the 2017–18 net operating result. The key reasons for the movements are outlined below.

Rates and annual charges revenue increased by \$12.8 million or 8.1 per cent in 2018–19, mainly as a result of Council's approved rate variation of 8.0 per cent for 2018–19.

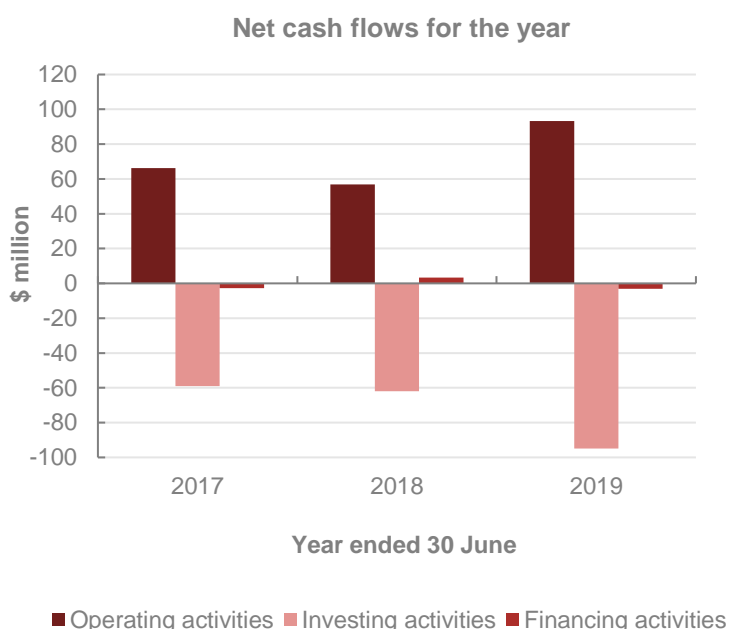
Grants and contributions revenue increased by \$6.8 million or 16.9 per cent, mainly due to revenue recognised for assets dedicated in lieu of cash contributions by \$7.5 million.

Materials and contracts expenses decreased by \$11.9 million or 15.3 per cent in 2018–19, mainly attributable to reduced spending on contractor and consultancy costs during the year.

Offsetting the above movements, the other expenses increased by \$19.5 million or 33.6 per cent in 2018–19. This increase was mainly due to additional rehabilitation and restoration costs recognised in 2018–19. In addition, the employee benefits and on-costs increased by \$4.5 million or 4.6 per cent as a result of an increase in award rates and termination payments.

STATEMENT OF CASH FLOWS

- The Council's cash and cash equivalents was \$23.3 million (\$28.0 million for the year ended 30 June 2018). There was a net reduction in cash and cash equivalents of \$4.7 million at 30 June 2019.
- Net cash inflows from the operating activities increased by \$36.5 million mainly due to increase in rates and annual charges levied and the reduction in material and contract spending throughout the year.
- Net cash outflows from the investing activities increased by \$33.0 million mainly due to purchase of investment securities.
- Net cash outflows from the financing activities represent the repayment of borrowings and advances of \$3.1 million.



FINANCIAL POSITION

Cash and Investments

Cash and investments	2019	2018	Commentary
	\$m	\$m	
External restrictions	57.6	53.8	<ul style="list-style-type: none"> Externally restricted cash and investments are restricted in their use by externally imposed requirements. Council's externally restricted cash and investments have increased by \$3.8 million primarily due to an increase in available cash balance relating to the developer contributions. Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The increase in the internal restrictions of \$37.6 million is mainly due to increase in works program reserves by \$13.9 million and waste management remediation reserve by \$22.5 million. The Council's unrestricted cash balance of \$37.2 million at 30 June 2019 is available to provide liquidity for day-to-day operations of the Council.
Internal restrictions	282.2	244.6	
Unrestricted	37.2	39.3	
Cash and investments	377.0	337.7	

Debt

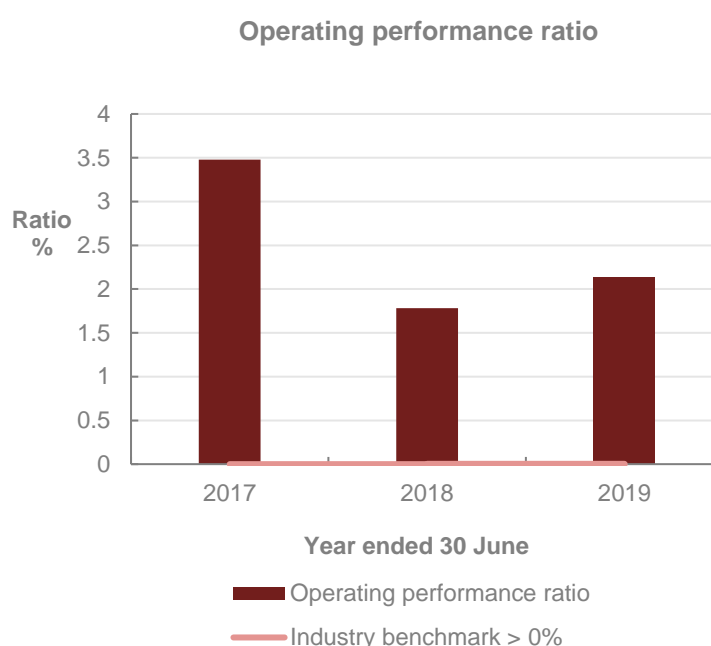
The Council has \$60.8 million of borrowings as at 30 June 2019 (2018: \$63.8 million)

The Council has an accumulated drawdown facility limit of \$82.9 million as at 30 June 2019 (2018: \$67.2 million) of which \$22.1 million remained unutilised at the year-end.

PERFORMANCE

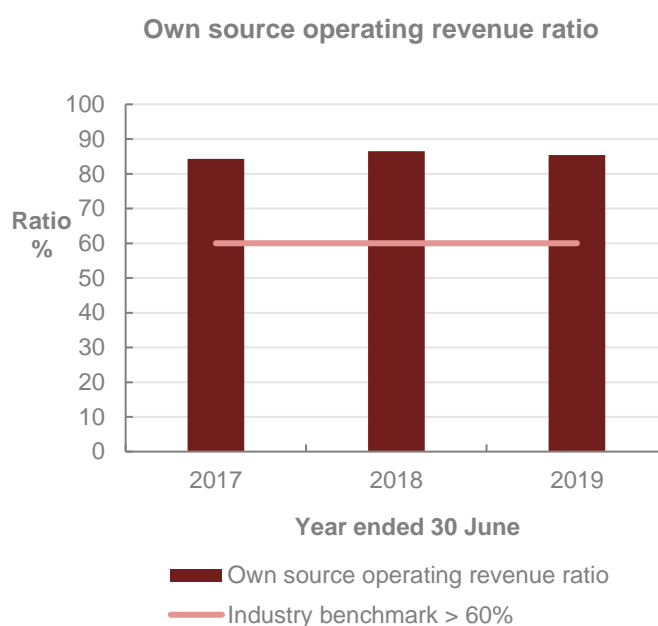
Operating performance ratio

- The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the former Office of Local Government (OLG) is greater than zero per cent.
- The Council's operating performance ratio of 2.13% is above the industry benchmark of zero per cent.
- The operating performance ratio has increased from prior year mainly due to increase in Council's revenues in 2018–19.



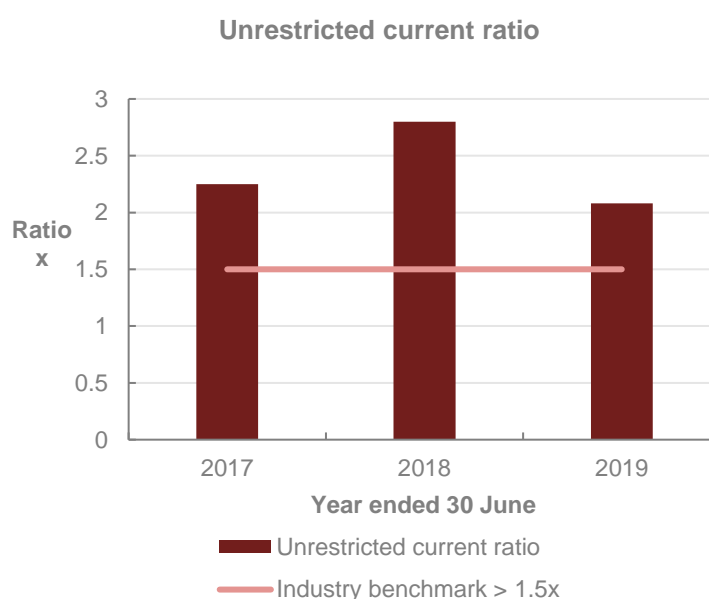
Own source operating revenue ratio

- The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by the former OLG is greater than 60 per cent.
- The Council's own source operating revenue ratio of 85.4% is above the industry benchmark of 60%. This indicates that the Council has a diversified source of income and does not have an overly strong reliance on operating grants and contributions.
- The Council's own source operating revenue ratio has remained steady over the past three years.



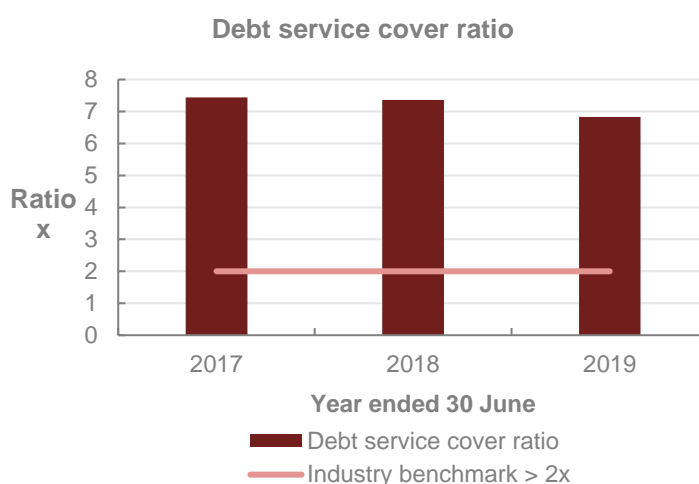
Unrestricted current ratio

- The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by the former OLG is greater than 1.5 times.
- The Council's liquidity ratio of 2.1 is above the industry benchmark minimum of greater than 1.5 times. This indicates that the Council has sufficient liquidity to meet its current liabilities as and when they fall due.
- The Council's unrestricted current ratio has decreased from prior year mainly due to an increase in externally restricted cash.



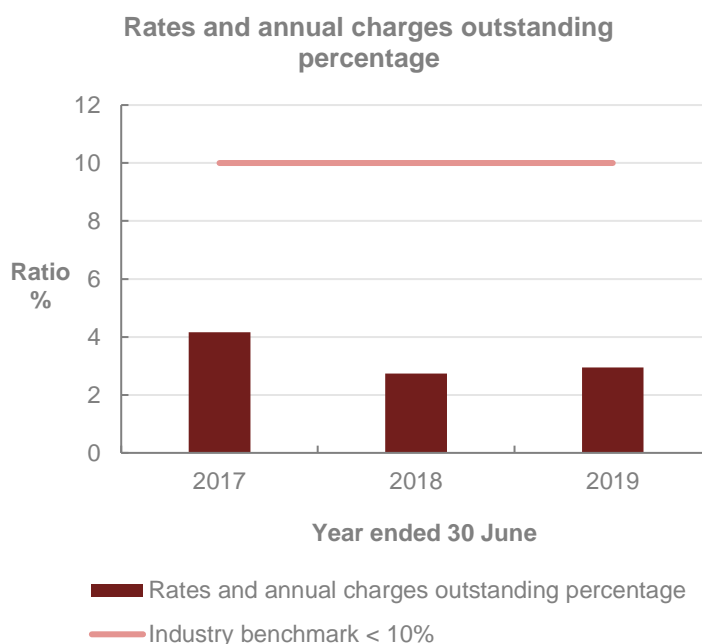
Debt service cover ratio

- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by the former OLG is greater than two times.
- The Council's debt service cover ratio of 6.8 times is above the industry benchmark of greater than 2 times.
- The Council's debt service cover ratio has decreased from prior year mainly due to increased borrowing costs in 2018–19.



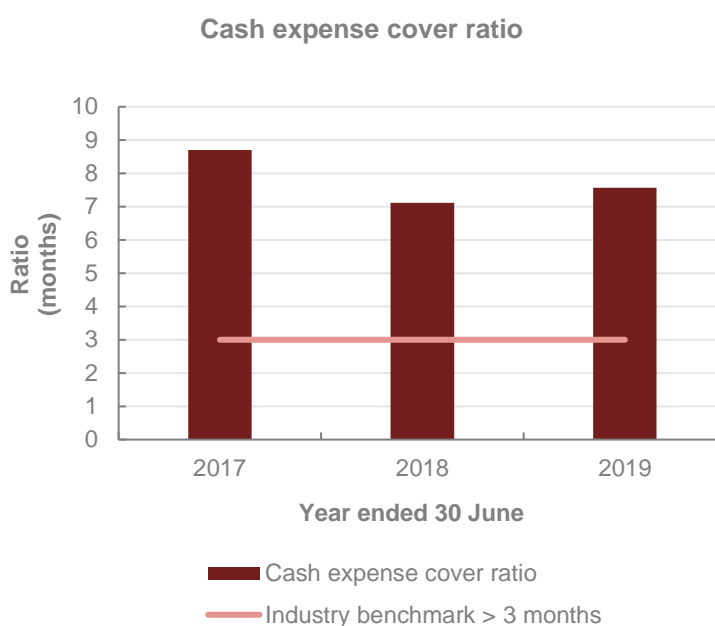
Rates and annual charges outstanding percentage

- The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by the former OLG is less than 10 per cent for regional councils.
- The Council's rates and annual charges outstanding percentage of 3.0% is within the benchmark of less than 10% for regional councils.
- Over the past three years, the Council's collection procedures have operated effectively to collect more than 90 per cent of the rates and annual charges revenue within the receivable due dates.



Cash expense cover ratio

- This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by the former OLG is greater than three months.
- The Council's cash expense cover ratio was 7.6 months, which is above the industry benchmark of greater than 3 months. This indicates that the Council had the capacity to cover 7.6 months of operating cash expenditure without additional cash inflows at 30 June 2019.
- The cash expense cover ratio increased compared with prior year due to reduced cash outflows for materials and contract expenditure in 2018–19.



Infrastructure, property, plant and equipment renewals

The Council has renewed \$26.0 million of assets in 2018–19 financial year, compared to \$26.4 million of assets in the prior year.

New accounting standards implemented

Application period	Overview
AASB 9 'Financial Instruments' and revised AASB 7 'Financial Instruments: Disclosures'	
For the year ended 30 June 2019	<p>AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' and changes the way financial instruments are treated for financial reporting.</p> <p>Key changes include:</p> <ul style="list-style-type: none"> • a simplified model for classifying and measuring financial assets • a new method for calculating impairment • a new type of hedge accounting that more closely aligns with risk management. <p>The revised AASB 7 includes new disclosures as a result of AASB 9. Council's disclosure of the impact of adopting AASB 9 is disclosed in Note 15.</p>

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.

The Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the general purpose financial statements.
- staff provided all accounting records and information relevant for the audit.

A handwritten signature in black ink, appearing to read 'Furqan Yousuf', with a stylized flourish at the end.

Furqan Yousuf

Delegate of the Auditor-General for New South Wales

cc: Mr Jeremy Bath, Chief Executive Officer
Mr Stephen Coates, Chair of Audit, Risk and Improvement Committee
Mr Jim Betts, Secretary of the Department of Planning, Industry and Environment

Newcastle City Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019



Special Purpose Financial Statements

for the year ended 30 June 2019

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Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Special Purpose Financial Statements

for the year ended 30 June 2019

Statement by Councillors and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached Special Purpose Financial Statements have been prepared in accordance with:

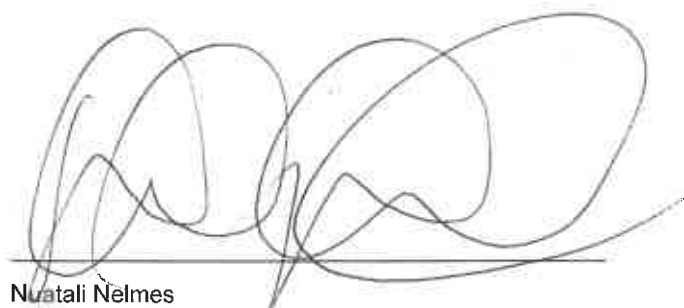
- the NSW Government Policy Statement, *'Application of National Competition Policy to Local Government'*,
- the Division of Local Government Guidelines, *'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality'*,
- the Local Government *Code of Accounting Practice and Financial Reporting*, and
- the NSW Office of Water *Best-Practice Management of Water and Sewerage Guidelines*.

To the best of our knowledge and belief, these statements:

- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records; and
- present overhead reallocation charges to the businesses as fair and reasonable.

We are not aware of any matter that would render these statements false or misleading in any way.

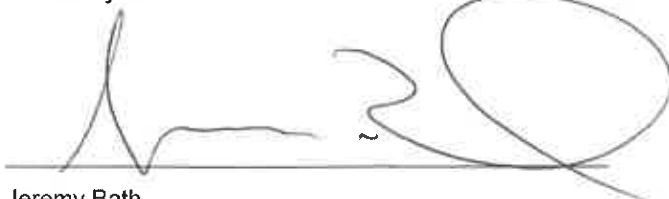
Signed in accordance with a resolution of Council made on 27 August 2019.



Natalie Nelmes
Lord Mayor



Councillor



Jeremy Bath
Chief Executive Officer



Scott Moore
Responsible Accounting Officer

Income Statement – Waste Management Collection Service

for the year ended 30 June 2019

	2019 Category 1 \$ '000	Restated 2018 * Category 1 \$ '000
Income from continuing operations		
Access charges	13,836	12,577
User charges	3,854	3,588
Other income	108	–
Total income from continuing operations	17,798	16,165
Expenses from continuing operations		
Employee benefits and on-costs	3,666	3,361
Materials and contracts	8,933	8,936
Depreciation, amortisation and impairment	221	193
Calculated taxation equivalents	153	181
Other expenses	645	651
Total expenses from continuing operations	13,618	13,322
Surplus (deficit) from all operations before tax	4,180	2,843
Less: corporate taxation equivalent (27.5%)	(1,150)	(782)
SURPLUS (DEFICIT) AFTER TAX	3,030	2,061
Opening accumulated surplus	4,699	5,314
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	153	181
– Corporate taxation equivalent	1,150	782
Add:		
– Subsidy paid/(contribution) to operations	(5,349)	(3,639)
Closing accumulated surplus	3,683	4,699
Return on capital %	89.9%	49.5%

(*) Restatement has occurred on comparatives.

Income Statement – Waste Management Disposal Service

for the year ended 30 June 2019

	2019 Category 1 \$ '000	Restated 2018 * Category 1 \$ '000
Income from continuing operations		
Access charges	9,201	9,341
User charges	43,908	41,711
Grants and contributions provided for non-capital purposes	98	–
Other income	508	431
Total income from continuing operations	53,715	51,483
Expenses from continuing operations		
Employee benefits and on-costs	2,668	2,801
Borrowing costs	–	142
Materials and contracts	4,931	4,466
Depreciation, amortisation and impairment	3,311	3,146
Calculated taxation equivalents	138	151
Other expenses	33,399	31,958
Total expenses from continuing operations	44,447	42,664
Surplus (deficit) from all operations before tax	9,268	8,819
Less: corporate taxation equivalent (30%)	(2,781)	(2,646)
SURPLUS (DEFICIT) AFTER TAX	6,487	6,173
Opening accumulated surplus	37,893	34,437
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	138	151
– Corporate taxation equivalent	2,781	2,646
Add:		
– Subsidy paid/(contribution) to operations	(5,796)	(5,514)
Closing accumulated surplus	41,503	37,893
Return on capital %	19.2%	21.1%

(*) Restatement has occurred on comparatives.

Income Statement – Civic Theatre and Playhouse

for the year ended 30 June 2019

	2019 Category 1 \$ '000	Restated 2018 * Category 1 \$ '000
Income from continuing operations		
User charges	1,638	1,714
Grants and contributions provided for non-capital purposes	47	56
Other income	1,258	1,198
Total income from continuing operations	2,943	2,968
Expenses from continuing operations		
Employee benefits and on-costs	2,591	2,185
Materials and contracts	669	608
Depreciation, amortisation and impairment	1,034	847
Calculated taxation equivalents	108	77
Other expenses	1,296	1,085
Total expenses from continuing operations	5,698	4,802
Surplus (deficit) from all operations before tax	(2,755)	(1,834)
Less: corporate taxation equivalent (27.5%)	–	–
SURPLUS (DEFICIT) AFTER TAX	(2,755)	(1,834)
Opening accumulated surplus	9,582	9,418
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	108	77
Add:		
– Subsidy paid/(contribution) to operations	2,408	1,921
Closing accumulated surplus	9,343	9,582
Return on capital %	(12.1)%	(8.1)%

(*) Restatement has occurred on comparatives.

Income Statement – City Hall

for the year ended 30 June 2019

	2019 Category 2 \$ '000	Restated 2018 * Category 2 \$ '000
Income from continuing operations		
User charges	319	292
Grants and contributions provided for non-capital purposes	20	21
Other income	798	856
Total income from continuing operations	1,137	1,169
Expenses from continuing operations		
Employee benefits and on-costs	948	892
Materials and contracts	659	677
Depreciation, amortisation and impairment	1,221	932
Calculated taxation equivalents	69	49
Other expenses	568	551
Total expenses from continuing operations	3,465	3,101
Surplus (deficit) from all operations before tax	(2,328)	(1,932)
Less: corporate taxation equivalent (27.5%)	–	–
SURPLUS (DEFICIT) AFTER TAX	(2,328)	(1,932)
Opening accumulated surplus	20,301	22,389
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	69	49
Add:		
– Subsidy paid/(contribution) to operations	4,764	(205)
Closing accumulated surplus	22,806	20,301
Return on capital %	(7.2)%	(6.5)%

(*) Restatement has occurred on comparatives.

Income Statement – Off Street Parking Stations

for the year ended 30 June 2019

	2019 Category 2 \$ '000	Restated 2018 * Category 2 \$ '000
Income from continuing operations		
User charges	907	954
Total income from continuing operations	907	954
Expenses from continuing operations		
Employee benefits and on-costs	77	101
Materials and contracts	86	120
Depreciation, amortisation and impairment	13	28
Calculated taxation equivalents	55	43
Other expenses	81	118
Total expenses from continuing operations	312	410
Surplus (deficit) from all operations before tax	595	544
Less: corporate taxation equivalent (27.5%)	(164)	(150)
SURPLUS (DEFICIT) AFTER TAX	431	394
Opening accumulated surplus	2,062	2,050
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	55	43
– Corporate taxation equivalent	164	150
Add:		
– Subsidy paid/(contribution) to operations	(628)	(575)
Closing accumulated surplus	2,084	2,062
Return on capital %	12.0%	11.0%

(*) Restatement has occurred on comparatives.

Income Statement – Commercial Properties

for the year ended 30 June 2019

	2019 Category 2 \$ '000	Restated 2018 * Category 2 \$ '000
Income from continuing operations		
Fair value increment on investment property	–	1,659
Grants and contributions provided for capital purposes	921	1,821
Other income	1,552	1,429
Total income from continuing operations	2,473	4,909
Expenses from continuing operations		
Fair value decrement on investment property	531	–
Employee benefits and on-costs	23	73
Materials and contracts	208	289
Calculated taxation equivalents	156	109
Other expenses	225	218
Total expenses from continuing operations	1,143	689
Surplus (deficit) from all operations before tax	1,330	4,220
Less: corporate taxation equivalent (27.5%)	(366)	(1,160)
SURPLUS (DEFICIT) AFTER TAX	964	3,060
Opening accumulated surplus	18,185	17,084
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	156	109
– Corporate taxation equivalent	366	1,160
Add:		
– Subsidy paid/(contribution) to operations	(1,018)	(3,228)
Closing accumulated surplus	18,653	18,185
Return on capital % ¹	7.0%	22.7%

(*) Restatement has occurred on comparatives.

(1) For the purpose of calculating return on capital, the fair value of investment properties as at 30 June has been utilised rather than the written down value of IPPE.

Income Statement – Stockton Beach Holiday Park

for the year ended 30 June 2019

	2019 Category 1 \$ '000	Restated 2018 * Category 1 \$ '000
Income from continuing operations		
User charges	3,252	3,002
Other income	5	5
Total income from continuing operations	3,257	3,007
Expenses from continuing operations		
Employee benefits and on-costs	33	182
Borrowing costs	49	59
Materials and contracts	1,085	1,407
Depreciation, amortisation and impairment	194	170
Calculated taxation equivalents	63	66
Debt guarantee fee	25	27
Other expenses	349	311
Total expenses from continuing operations	1,798	2,222
Surplus (deficit) from all operations before tax	1,459	785
Less: corporate taxation equivalent (27.5%)	(401)	(216)
SURPLUS (DEFICIT) AFTER TAX	1,058	569
Opening accumulated surplus	9,529	9,018
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	63	66
– Debt guarantee fees	25	27
– Corporate taxation equivalent	401	216
Add:		
– Subsidy paid/(contribution) to operations	(681)	(367)
Closing accumulated surplus	10,395	9,529
Return on capital %	16.9%	9.3%

(*) Restatement has occurred on comparatives.

Income Statement – Digital Print Services

for the year ended 30 June 2019

	2019 Category 2 \$ '000	Restated 2018 * Category 2 \$ '000
Income from continuing operations		
User charges	458	495
Total income from continuing operations	458	495
Expenses from continuing operations		
Employee benefits and on-costs	229	193
Materials and contracts	243	268
Depreciation, amortisation and impairment	7	7
Other expenses	71	70
Total expenses from continuing operations	550	538
Surplus (deficit) from all operations before tax	(92)	(43)
Less: corporate taxation equivalent (27.5%)	–	–
SURPLUS (DEFICIT) AFTER TAX	(92)	(43)
Opening accumulated surplus	(163)	(162)
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	–	–
Add:		
– Subsidy paid/(contribution) to operations	88	42
Closing accumulated surplus	(167)	(163)
Return on capital %	(317.2)%	(110.3)%

(*) Restatement has occurred on comparatives.

Income Statement – Beresfield Childcare Centre

for the year ended 30 June 2019

	2019 Category 2 \$ '000	Restated 2018 * Category 2 \$ '000
Income from continuing operations		
User charges	1,032	1,055
Total income from continuing operations	1,032	1,055
Expenses from continuing operations		
Employee benefits and on-costs	1,021	1,032
Materials and contracts	84	187
Depreciation, amortisation and impairment	48	44
Calculated taxation equivalents	9	15
Other expenses	190	185
Total expenses from continuing operations	1,352	1,463
Surplus (deficit) from all operations before tax	(320)	(408)
Less: corporate taxation equivalent (27.5%)	–	–
SURPLUS (DEFICIT) AFTER TAX	(320)	(408)
Opening accumulated surplus	1,222	1,252
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	9	15
Add:		
– Subsidy paid/(contribution) to operations	285	363
Closing accumulated surplus	1,196	1,222
Return on capital %	(23.5)%	(28.7)%

(*) Restatement has occurred on comparatives.

Statement of Financial Position – Waste Management Collection Service

as at 30 June 2019

	2019 Category 1 \$ '000	Restated 2018 * Category 1 \$ '000
ASSETS		
Current assets		
Receivables	474	380
Total current assets	474	380
Non-current assets		
Infrastructure, property, plant and equipment	4,648	5,743
Total non-current assets	4,648	5,743
TOTAL ASSETS	5,122	6,123
LIABILITIES		
Current liabilities		
Payables	217	207
Provisions	1,206	1,211
Total current liabilities	1,423	1,418
Non-current liabilities		
Provisions	16	6
Total non-current liabilities	16	6
TOTAL LIABILITIES	1,439	1,424
NET ASSETS	3,683	4,699
EQUITY		
Accumulated surplus	3,683	4,699
TOTAL EQUITY	3,683	4,699

(*) Restatement has occurred on comparatives.

Statement of Financial Position – Waste Management Disposal Service

as at 30 June 2019

	2019 Category 1 \$ '000	Restated 2018 * Category 1 \$ '000
ASSETS		
Current assets		
Investments	35,310	32,089
Receivables	4,562	2,792
Total current assets	39,872	34,881
Non-current assets		
Infrastructure, property, plant and equipment	48,147	42,554
Total non-current assets	48,147	42,554
TOTAL ASSETS	88,019	77,435
LIABILITIES		
Current liabilities		
Payables	6,432	2,729
Provisions	859	817
Total current liabilities	7,291	3,546
Non-current liabilities		
Provisions	35,327	32,098
Total non-current liabilities	35,327	32,098
TOTAL LIABILITIES	42,618	35,644
NET ASSETS	45,401	41,791
EQUITY		
Accumulated surplus	41,503	37,893
Revaluation reserves	3,898	3,898
TOTAL EQUITY	45,401	41,791

(*) Restatement has occurred on comparatives.

Statement of Financial Position – Civic Theatre and Playhouse

as at 30 June 2019

	2019 Category 1 \$ '000	Restated 2018 * Category 1 \$ '000
ASSETS		
Current assets		
Receivables	145	108
Inventories	27	25
Total current assets	172	133
Non-current assets		
Infrastructure, property, plant and equipment	22,853	22,682
Total non-current assets	22,853	22,682
TOTAL ASSETS	23,025	22,815
LIABILITIES		
Current liabilities		
Payables	50	76
Income received in advance	1,512	1,068
Provisions	269	232
Total current liabilities	1,831	1,376
Non-current liabilities		
Provisions	13	20
Total non-current liabilities	13	20
TOTAL LIABILITIES	1,844	1,396
NET ASSETS	21,181	21,419
EQUITY		
Accumulated surplus	9,343	9,582
Revaluation reserves	11,838	11,837
TOTAL EQUITY	21,181	21,419

(*) Restatement has occurred on comparatives.

Statement of Financial Position – City Hall

as at 30 June 2019

	2019 Category 2 \$ '000	Restated 2018 * Category 2 \$ '000
ASSETS		
Non-current assets		
Infrastructure, property, plant and equipment	32,165	29,579
Total non-current assets	32,165	29,579
TOTAL ASSETS	32,165	29,579
LIABILITIES		
Current liabilities		
Payables	177	112
Provisions	285	269
Total current liabilities	462	381
Non-current liabilities		
Provisions	3	3
Total non-current liabilities	3	3
TOTAL LIABILITIES	465	384
NET ASSETS	31,700	29,195
EQUITY		
Accumulated surplus	22,806	20,301
Revaluation reserves	8,894	8,894
TOTAL EQUITY	31,700	29,195

(*) Restatement has occurred on comparatives.

Statement of Financial Position – Off Street Parking Stations

as at 30 June 2019

	2019 Category 2 \$ '000	Restated 2018 * Category 2 \$ '000
ASSETS		
Current assets		
Receivables	–	1
Total current assets	–	1
Non-current assets		
Infrastructure, property, plant and equipment	4,939	4,924
Total non-current assets	4,939	4,924
TOTAL ASSETS	4,939	4,925
LIABILITIES		
Current liabilities		
Payables	–	4
Provisions	27	30
Total current liabilities	27	34
Non-current liabilities		
Provisions	1	1
Total non-current liabilities	1	1
TOTAL LIABILITIES	28	35
NET ASSETS	4,911	4,890
EQUITY		
Accumulated surplus	2,084	2,062
Revaluation reserves	2,827	2,828
TOTAL EQUITY	4,911	4,890

(*) Restatement has occurred on comparatives.

Statement of Financial Position – Commercial Properties

as at 30 June 2019

	2019 Category 2 \$ '000	Restated 2018 * Category 2 \$ '000
ASSETS		
Current assets		
Receivables	133	101
Total current assets	133	101
Non-current assets		
Investment property	18,970	18,580
Total non-current assets	18,970	18,580
TOTAL ASSETS	19,103	18,681
LIABILITIES		
Current liabilities		
Payables	31	33
Provisions	9	20
Total current liabilities	40	53
Non-current liabilities		
Payables	410	442
Provisions	–	1
Total non-current liabilities	410	443
TOTAL LIABILITIES	450	496
NET ASSETS	18,653	18,185
EQUITY		
Accumulated surplus	18,653	18,185
TOTAL EQUITY	18,653	18,185

(*) Restatement has occurred on comparatives.

Statement of Financial Position – Stockton Beach Holiday Park

as at 30 June 2019

	2019 Category 1 \$ '000	Restated 2018 * Category 1 \$ '000
ASSETS		
Current assets		
Cash and cash equivalents	2,912	2,176
Total current assets	2,912	2,176
Non-current assets		
Infrastructure, property, plant and equipment	8,912	9,106
Total non-current assets	8,912	9,106
TOTAL ASSETS	11,824	11,282
LIABILITIES		
Current liabilities		
Payables	–	83
Interest bearing liabilities	200	200
Provisions	12	50
Total current liabilities	212	333
Non-current liabilities		
Interest bearing liabilities	805	1,005
Provisions	–	3
Total non-current liabilities	805	1,008
TOTAL LIABILITIES	1,017	1,341
NET ASSETS	10,807	9,941
EQUITY		
Accumulated surplus	10,395	9,529
Revaluation reserves	412	412
TOTAL EQUITY	10,807	9,941

(*) Restatement has occurred on comparatives

Statement of Financial Position – Digital Print Services

as at 30 June 2019

	2019 Category 2 \$ '000	Restated 2018 * Category 2 \$ '000
ASSETS		
Non-current assets		
Infrastructure, property, plant and equipment	29	39
Total non-current assets	29	39
TOTAL ASSETS	29	39
LIABILITIES		
Current liabilities		
Payables	5	8
Provisions	189	193
Total current liabilities	194	201
Non-current liabilities		
Provisions	2	1
Total non-current liabilities	2	1
TOTAL LIABILITIES	196	202
NET ASSETS	(167)	(163)
EQUITY		
Accumulated surplus	(167)	(163)
TOTAL EQUITY	(167)	(163)

(*) Restatement has occurred on comparatives.

Statement of Financial Position – Beresfield Childcare Centre

as at 30 June 2019

	2019 Category 2 \$ '000	Restated 2018 * Category 2 \$ '000
ASSETS		
Current assets		
Receivables	93	88
Total current assets	93	88
Non-current assets		
Infrastructure, property, plant and equipment	1,359	1,422
Total non-current assets	1,359	1,422
TOTAL ASSETS	1,452	1,510
LIABILITIES		
Current liabilities		
Payables	10	8
Provisions	104	144
Total current liabilities	114	152
Non-current liabilities		
Provisions	11	5
Total non-current liabilities	11	5
TOTAL LIABILITIES	125	157
NET ASSETS	1,327	1,353
EQUITY		
Accumulated surplus	1,196	1,222
Revaluation reserves	131	131
TOTAL EQUITY	1,327	1,353

(*) Restatement has occurred on comparatives.

Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

Note 1. Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the *Local Government Act 1993* (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, fair values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's General fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 NSW Government Policy statement titled 'Application of National Competition Policy to Local Government'. The *Pricing and Costing for Council Businesses - A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies and returns on investments (rate of return and dividends paid).

Declared business activities

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

(Business activities with gross operating turnover more than \$2 million)

Waste Management Collection Services

Collection of commercial, domestic and other waste

Waste Management Disposal Services

Waste disposal site activities

Stockton Beach Holiday Park

Operation of holiday park

Civic Theatre and Playhouse

Operation of entertainment theatre

Category 2

(Business activities with gross operating turnover less than \$2 million)

City Hall

Provision of conference, reception and entertainment facilities

Off Street Parking Stations

Commercially operated parking stations

Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

Commercial Properties*Commercial rental properties***Digital Print Services***Operation of printing services***Beresfield Child Care Centre***Operation of child care centre***Monetary amounts**

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

(i) Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs. However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

- Corporate income tax rate – 27.5% (or 30.0% for businesses with aggregated turnover greater than \$50 million).
- Land tax – the first \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of 2.0% applies.
- Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$850,000.

Income tax

An income tax equivalent has been applied on the profits of the business activities. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5% (or 30.0% for businesses with aggregated turnover greater than \$50 million).

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council.

Accordingly, there is no need for disclosure of internal charges in the SPFS. The rate applied of 27.5% (or 30.0% where aggregated turnover exceeds \$50 million) is the equivalent company tax rate prevalent at reporting date.

Local government rates and charges

A calculation of the equivalent rates and charges payable on all Category 1 businesses has been applied to all assets owned or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face 'true' commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidy paid/(contribution) to operations' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(iii) Return on investments (rate of return)

The NCP policy statement requires that Councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The rate of return achieved by each business activity is disclosed for each of Council's business activities on their respective Income Statement.

The return on capital is calculated as follows:

Surplus (deficit) from continuing operations before capital amounts + interest expense

Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.32% at 30/6/19.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

(v) Comparative information

During the 2019 financial year City of Newcastle undertook a full review of methodology surrounding the presentation of Councils special purpose financial statements (SPFS). This review was undertaken to improve the reliability of SPFS to the end user and significant items adjusted include a review of corporate tax rates, capturing the full value of IPPE across activities and including the asset remediation provision for our waste management disposal activity. As a result of this review comparative figures have been restated to reflect the updated methodology. The restatement ensures only identifiable receivables and payables are presented for each business activity with a corresponding full disclosure of the subsidy from, or dividend, to Council.

To the best of Councils knowledge and belief these statements now present fairly the operating results and financial position for the business activities.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Newcastle City Council

To the Councillors of the Newcastle City Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Newcastle City Council's (the Council) declared business activities, which comprise the Income Statement of the declared business activities for the year ended 30 June 2019, the Statement of Financial Position of the declared business activities as at 30 June 2019, Note 1 Significant accounting policies for the business activities declared by Council, and the Statement by Councillors and Management.

The declared business activities of the Council are:

- Waste Management Collection Service
- Waste Management Disposal Service
- Civic Theatre and Playhouse
- City Hall
- Off Street Parking Stations
- Commercial Properties
- Stockton Beach Holiday Park
- Digital Print Services
- Beresfield Childcare Centre.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared business activities as at 30 June 2019, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code).

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 'Permissible income for general rates'.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Furqan Yousuf

Delegate of the Auditor-General for New South Wales

11 October 2019
SYDNEY

Newcastle City Council

SPECIAL SCHEDULES
for the year ended 30 June 2019



Special Schedules

for the year ended 30 June 2019

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Permissible income for general rates

for the year ended 30 June 2019

		Calculation 2019/20 \$ '000	Calculation 2018/19 \$ '000
Notional general income calculation ¹			
Last year notional general income yield	a	147,291	135,790
Plus or minus adjustments ²	b	812	441
Notional general income	$c = a + b$	148,103	136,231
Permissible income calculation			
Special variation percentage ³	d	8.00%	8.00%
Plus special variation amount	$h = d \times (c + g)$	11,848	10,898
Sub-total	$k = (c + g + h + i + j)$	159,951	147,129
Plus (or minus) last year's carry forward total	l	9	4
Less valuation objections claimed in the previous year	m	(275)	(108)
Sub-total	$n = (l + m)$	(266)	(104)
Total permissible income	$o = k + n$	159,685	147,025
Less notional general income yield	p	159,676	147,291
Catch-up or (excess) result	$q = o - p$	10	(266)
Plus income lost due to valuation objections claimed ⁴	r	—	275
Less unused catch-up ⁵	s	—	—
Carry forward to next year ⁶	$t = q + r + s$	10	9

Notes

- (1) The 'notional general income' will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis, which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable, the Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from permissible income from general rates in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule - Permissible income for general rates

Newcastle City Council

To the Councillors of Newcastle City Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Newcastle City Council (the Council) for the year ending 30 June 2020.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code), and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2019'.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and the special purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.

A handwritten signature in black ink, appearing to read 'Furqan Yousuf', with a stylized flourish at the end.

Furqan Yousuf

Delegate of the Auditor-General for New South Wales

11 October 2019
SYDNEY

Report on Infrastructure Assets

as at 30 June 2019

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard (\$'000)	Estimated cost to bring to the agreed level of service set by Council (\$'000)	2018/19 Required maintenance (\$'000) ^a	2018/19 Actual maintenance (\$'000)	Net carrying amount (\$'000)	Gross replacement cost (GRC) (\$'000)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Roads	Buildings	23,526	12,699	8,669	6,792	189,462	354,753	14.2%	53.5%	28.4%	2.2%	1.8%
	Other structures	5,157	2,796	3,050	682	29,129	72,974	19.6%	27.2%	45.6%	6.8%	0.8%
	Sealed roads	45,641	31,608	7,699	8,230	328,977	619,645	16.2%	57.3%	21.3%	1.7%	3.5%
	Unsealed roads	37	51	4	5	103	342	6.8%	64.1%	14.2%	0.0%	15.0%
	Bridges	1,206	573	508	9	23,890	37,187	15.7%	74.4%	8.3%	0.2%	1.4%
	Footpaths	4,824	859	2,241	1,990	115,031	214,002	7.2%	79.0%	13.5%	0.0%	0.4%
	Other road assets	—	—	—	—	170,284	170,441	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	51,708	33,091	10,452	10,234	638,182	1,041,617	28.1%	53.0%	15.7%	1.0%	2.2%
Open space / recreational assets	Stormwater drainage	28,445	21,687	2,102	755	165,440	247,037	34.9%	38.7%	11.5%	6.0%	8.9%
	Swimming pools	2,737	3,563	1,300	803	9,346	25,234	31.0%	25.6%	24.2%	2.8%	16.3%
	Other Open Space/ Rec Assets	3,983	1,182	2,697	6,738	16,392	34,353	21.4%	18.7%	46.4%	11.6%	1.9%
	Sub-total	6,720	4,745	3,997	7,541	25,738	59,587	25.5%	21.6%	37.0%	7.9%	8.0%
	Other infrastructure assets	10,489	11,152	1,270	29	39,526	79,941	23.0%	33.6%	29.0%	5.8%	8.7%
TOTAL - ALL ASSETS		126,045	86,170	29,540	26,033	1,087,477	1,855,909	25.7%	48.3%	20.0%	2.5%	3.5%

(a) Required maintenance is the amount identified in Council's asset management plans.

Condition	Integrated planning and reporting (IP&R) description
1 Excellent/Very good	No work required (normal maintenance)
2 Good	Only minor maintenance work required
3 Satisfactory	Maintenance work required
4 Poor	Renewal required
5 Very poor	Urgent renewal/upgrading required

Newcastle City Council

Report on Infrastructure Assets (continued)

for the year ended 30 June 2019

	Amounts 2019	Indicator 2019	Indicator 2018	Benchmark
Infrastructure asset performance indicators * consolidated				
1. Buildings and infrastructure renewals ratio				
Asset renewals ⁽²⁾	16,970	52.73%	81.37%	>= 100%
Depreciation, amortisation and impairment	32,184			
2. Buildings and infrastructure renewals ratio ⁽¹⁾				
Asset renewals (excluding WIP) ⁽²⁾	9,514	29.56%	56.63%	>= 100%
Depreciation, amortisation and impairment	32,184			
3. Infrastructure backlog ratio ⁽¹⁾				
Estimated cost to bring assets to a satisfactory standard	126,045	11.59%	10.95%	< 2.00%
Net carrying amount of infrastructure assets	1,087,477			
4. Asset maintenance ratio				
Actual asset maintenance	26,033	88.13%	94.99%	> 100%
Required asset maintenance	29,540			
5. Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	86,170	4.64%	5.45%	
Gross replacement cost	1,855,909			

Notes

* All asset performance indicators are calculated using the asset classes identified in the previous table.

⁽¹⁾ Excludes Work In Progress (WIP)

⁽²⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

The building and infrastructure renewals ratio as per changes in the Local Government Code of Accounting Practice and Financial Reporting Update no.26 now excludes WIP for asset renewals. To ensure transparency, Council have included both ratios (including WIP and excluding WIP).

**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
SUPPLEMENTARY REPORT - EXHIBITION OF DRAFT FERN BAY
AND NORTH STOCKTON STRATEGY**

- Item 76 Attachment A:** Draft Fern Bay and North Stockton Strategy
- Item 76 Attachment B:** Implementation Plan
- Item 76 Attachment C:** Background Investigations
- Item 76 Attachment D:** Original Council Report of 28 May 2019

DISTRIBUTED UNDER SEPARATE COVER

**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
SUPPLEMENTARY REPORT - EXHIBITION OF DRAFT FERN BAY
AND NORTH STOCKTON STRATEGY**

Item 76 Attachment A: Draft Fern Bay and North Stockton Strategy



PORT STEPHENS
COUNCIL



City of
Newcastle

Draft Fern Bay and North Stockton Strategy



Acknowledgement

Port Stephens Council and City of Newcastle acknowledges the Worimi People as traditional custodians of this land and pays its respects to Worimi Elders, past, present and future.

Revision History

Revision	Date	Detail	Council Resolution	
			CN	PSC
1	28 May 2019	Draft Strategy (Version 1)	N/A	N/A
2	22 October 2019	Draft Strategy (Version 2)		

Abbreviations

CN	City of Newcastle
DCP	Development Control Plan
DHA	Defence Housing Australia
EPA	Environment Protection Authority
GNMP	Greater Newcastle Metropolitan Plan 2036
HRP	Hunter Regional Plan 2036
LEP	Local Environmental Plan
LGA	Local Government Area
NLEP	Newcastle Local Environmental Plan 2012
NPWS	National Parks and Wildlife Services
PFAS	Per- and Poly-Fluoroalkyl Substances
PSC	Port Stephens Council
PSLEP	Port Stephens Local Environmental Plan 2013
RAAF	Royal Australian Air Force

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<i>Figure 4</i>	<i>Regional context map</i>
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<i>Figure 9</i>	<i>Precinct 4: Sports</i>
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Executive Summary

Port Stephens Council and the City of Newcastle have developed the draft Fern Bay and North Stockton Strategy (the Strategy) to guide future development and ensure sufficient community infrastructure is provided for the growing community. The Strategy is based on evidence utilising information gathered from technical studies and investigations.

The Strategy seeks to identify opportunities for Fern Bay and North Stockton to create a pedestrian focused place for people, which offers housing diversity, a mixed-use town centre, with connected open spaces and community facilities.

To achieve this vision the Strategy is guided by the following goals:

- 1 **Environment:** Protect the treasured and unique Stockton Bight for future generations and attract responsible heritage and nature-based tourism.
- 2 **Town Centre:** Establish a conveniently located mixed-use town centre connected by technology, transport, housing, tourism and great public places.
- 3 **Housing:** Grow a resilient coastal community with access to liveable and diverse housing.
- 4 **Open Space and Community Facilities:** Improve access to useable open spaces and well-designed community facilities to support daily activity and healthy lifestyles.
- 5 **Transport:** Prioritise safe and convenient travel by walking, cycling and use of public transport and duplicate Nelson Bay Road for its full length from Stockton to Newcastle Airport to support regional journeys.
- 6 **Tourism:** Advocate for tourist and visitor accommodation to support the regional visitor economy and Newcastle Airport.

The Strategy sets out Planning Principles for each of these goals, to guide future development including the preparation and assessment of Planning Proposals to amend the relevant Local Environmental Plan (LEP).

Implementation of the Strategy is driven through identification of specific Outcomes for the six precincts that make up the Strategy Area: North Stockton, Original Fern Bay, Beachfront, Sports, Seaside Estate and Fullerton Cove.

Future development is likely to occur in the North Stockton and Beachfront precincts through redevelopment of larger, already disturbed sites. Development further north (of Fern Bay) is limited due to a range of environmental factors.

Fern Bay and North Stockton are well connected to the Newcastle City Centre, Newcastle Airport and Port Stephens. The Strategy seeks to provide housing options which are close to employment opportunities, as well as increase the opportunities for attracting visitors to the area building upon the spirit, rich culture and raw beauty of Stockton Bight.



Figure 1 – Strategy Area

Part A

Introduction



A1 Purpose

Fern Bay has experienced rapid population growth over the last 15 years. The area has developed from a small village to a larger community incorporating a number of large disconnected residential developments. This has resulted in the creation of an urban population where a semi-rural village centre had been.

Port Stephens Council (PSC) and City of Newcastle (CN) have received Planning Proposals for the redevelopment of the Rifle Range and Fort Wallace sites proposing up to approximately 400 additional dwellings within the Strategy Area. Further growth is also expected at the Seaside Estate development. These additional residents are expected to increase demand for essential community services and transport infrastructure. There are a number of large land holdings within North Stockton and South of Fern Bay that have potential to create positive outcomes for the community in their redevelopment. PSC and CN have identified the need to develop this Strategy (the Strategy) to guide development in Fern Bay and North Stockton for the next 20 years.

A2 Structure of the Strategy

- Part A provides context for the Strategy
- Part B provides an overview of the goals for the area informed by community aspirations.
- Part C lists principles to inform future planning when land is rezoned.
- Part D details the outcomes for each of the six precincts in the Strategy Area with specific actions to achieve the goals.

A3 Application and Effect

The Strategy Area includes land within Port Stephens (Fern Bay and Fullerton Cove) and City of Newcastle (North Stockton) Local Government Areas (LGAs) (Figure 1). The Strategy does not include the established Stockton neighbourhood, south of Corroba Oval or most parts of Fullerton Cove due to a range of known environmental constraints limiting development potential.

Amendments to relevant Local Environmental Plans (LEPs), Development Control Plans (DCPs)

and Local Infrastructure Plans will be required to implement the Strategy. Planning Proposals within the Strategy Area are to demonstrate consistency with the Planning Principles (Part C) and achieving the Strategy's Goals (Part B).

A4 Precincts

Six precincts (Figure 2) have been identified within the Strategy Area:

North Stockton includes the Stockton Centre (a residential care facility) and Fort Wallace immediately to its south. Both sites have significant heritage value.

Original Fern Bay includes the original village boundary for Fern Bay, providing single detached dwellings within a grid street pattern. Palm Lakes Resort and Bayway Village are located to the north of the precinct consisting of manufactured dwellings for people aged over 50. Newcastle Golf Course is a significant land holding within that may influence opportunities for future development.

Beachfront comprises the greatest area of environmentally significant land being Worimi Conservation Lands (WCL) and Stockton Beach. While no recent development has occurred within this precinct, the Rifle Range offers opportunities for future urban development and connecting to the surrounding environmental lands.

Sports precinct includes Corroba Oval and surrounding recreational land. The precinct will provide a common place for recreation and community activities for the Stockton Peninsula.

Seaside Estate is a planned community located within proximity to Stockton Beach and WCL. It consists mostly of single dwellings and some landscaped recreation areas.

Fullerton Cove includes the only rural lands in the Strategy Area. The Cove Village, located in the south of the precinct, provides housing for over 55's with resort style facilities. Rural dwellings and agricultural land use are dispersed through the northern section of the precinct.

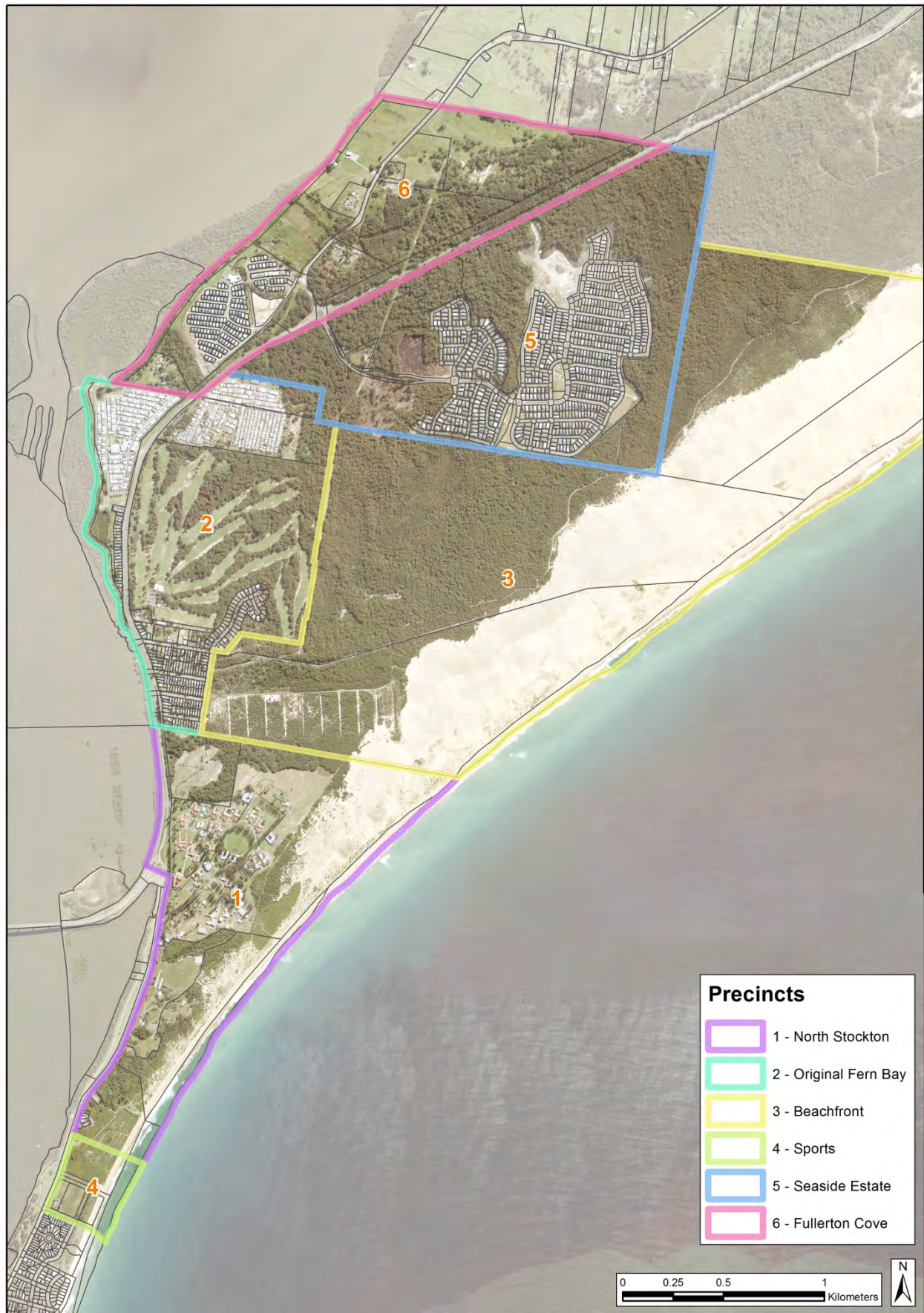


Figure 2 – Land use precincts

A5 Monitoring and Review

CN and PSC will monitor and review the Strategy and report annually to each respective council on the implementation of its outcomes. The Strategy will be reviewed every five years, or as necessary.



Figure 3 – Monitoring, reporting and review cycle

Partnerships

CN and PSC have worked collaboratively to develop the Strategy with early input sought from the community and relevant organisations to plan for coordinated and sustainable growth.

The two Councils are unable to deliver this Plan alone and will require cooperation and assistance across Government, industry and the community.

Further engagement will occur throughout this process. Roles for each council, State agencies and other organisations have been clearly outlined in the Implementation Plan (**Attachment 1**) to ensure that the Goals of the Strategy are realised.

A6 Community Engagement

The Strategy has been guided by community input via comments received on an interactive online map, community survey and two separate drop-in sessions in September 2017.

The themes identified as priorities are Environment; Housing and People; Town Centre; Open Space and Community Facilities; Transport and Tourism. The goals for each of these focus areas reflect the aspirations derived from the

community during the consultation. The community aspirations also act as strategic directions for planning and decision making that will help achieve the goals for each focus area.

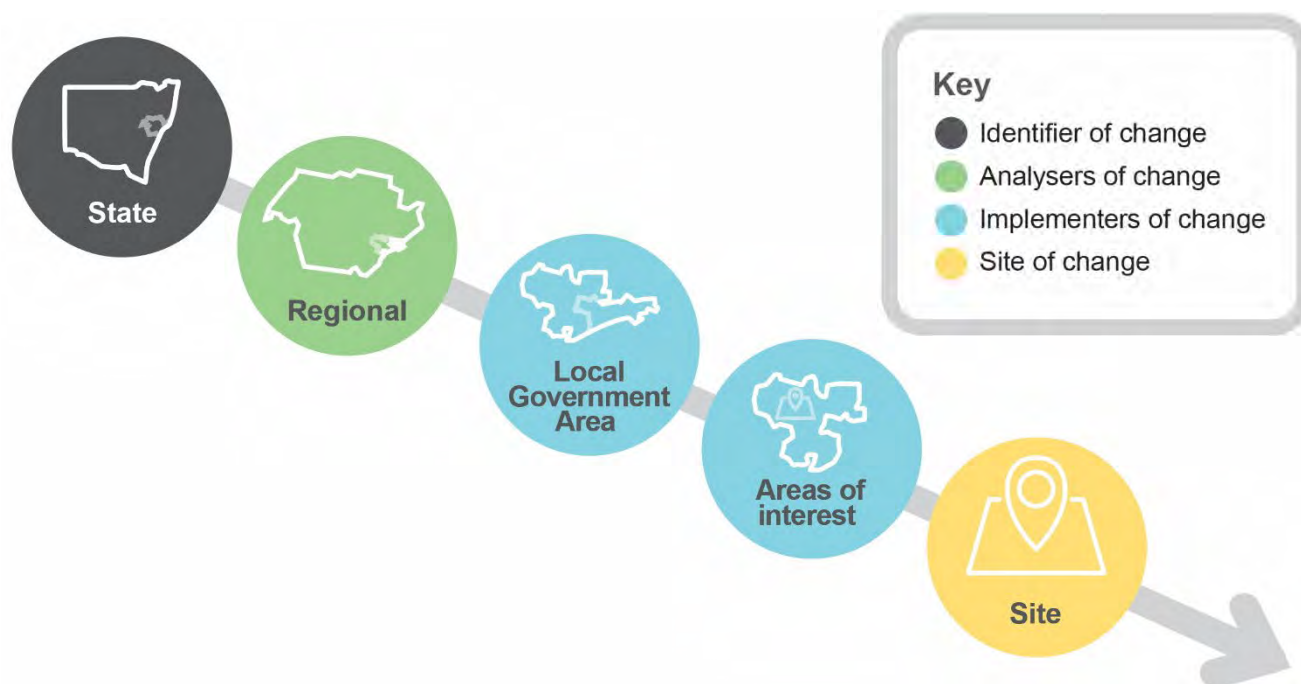
A7 Regional context

Fern Bay and North Stockton are well positioned within the region (Figure 4) to capitalise on the vision projected by the NSW Government in the Greater Newcastle Metropolitan Plan 2036 (2018).

The Strategy Area is situated on the main thoroughfare between Newcastle City and Newcastle Airport. The Airport and Newcastle Port are considered 'Global Gateways' that offer employment opportunities next to Fern Bay and North Stockton. The Strategy Area's proximity to these regional assets in addition to the lifestyle and visitor opportunities offered in Fern Bay and North Stockton demonstrate the potential to positively contribute to Greater Newcastle.



Figure 4
—
Regional
context
map



Hunter Regional Plan 2036 (2016)

The Strategy is aligned with and will contribute to achieving key goals of the Hunter Regional Plan 2036:

Goal 1 'The leading regional economy in Australia' by promoting new small business with the establishment of a new mixed-use town centre (Direction 8) and growing tourism in the region at both Fern Bay and Stockton (Direction 9). The Strategy also supports the establishment of the DAREZ lands by providing additional housing within a 30 minute drive of the Airport/RAAF Base (Direction 7).

Goal 2 'A biodiversity-rich natural environment' by protecting natural areas, including Worimi Conservation Lands and Hunter Wetlands, (Direction 14) and considering natural hazards and climate change for future residential areas (Direction 16)

Goal 3 'Thriving communities' by enhancing walking and cycling opportunities through identifying appropriate and accessible spaces and facilities (Direction 17 & 18) and protecting natural, built and cultural heritage (Direction 19). The design of a new mixed-use town centre is to incorporate place-making principles (Direction 20).

Goal 4 'Greater housing choice and jobs' by establishing a compact settlement surrounding a new mixed-use town centre and limiting further development on the urban fringe (Direction 21) and promote a mix of housing choices in new and existing residential areas (Direction 20)

Greater Newcastle Metropolitan Plan 2036 (2018)

The Strategy is aligned with and will contribute to achieving key outcomes of the Greater Newcastle Metropolitan Plan 2036:

Outcome 1 'Create a workforce skilled and ready for the new economy' by providing housing close to the airport and aerospace and defence precinct (Strategy 2) and increase tourism opportunities (Strategy 6)

Outcome 2 'Enhance environment, amenity and resilience for quality of life' by creating great public places where the community can come together (Strategies 10 and 11) and consider natural hazards and climate change for future residential areas (Strategy 14)

Outcome 3 'Deliver housing close to jobs and services' by increasing housing diversity and choice (Strategy 16)

Outcome 4 'Improve connections to jobs, services and recreation' by integrating land use and transport planning (Strategy 20)

The GNMP also requires CN and PSC to work together to coordinate housing and infrastructure development in Fern Bay to protect transport connections between the Newcastle Airport and Newcastle Port. It also requires focus on development of tourism opportunities in Stockton to support the establishment of a cruise ship terminal in the Carrington Precinct.

Newcastle 2030 CSP (2018) and Port Stephens CSP (2018)

The Strategy is aligned with the Newcastle 2030 and Port Stephens Community Strategic Plans which outline the community's agreed aspirations and needs for the respective LGAs.

Newcastle Local Planning Strategy (2015)

Stockton's existing town centre, located in Mitchell Street, is a 'Local centre (minor)' that should be promoted as a tourism destination without reducing its appeal as a place to reside.

The Newcastle Local Planning Strategy identifies the consideration of a new commercial centre in North Stockton and the need to consider coastal erosion. The Strategy identifies an opportunity for a new town centre at North Stockton to service residents outside the existing Stockton Local Centre pedestrian catchment.

Port Stephens Planning Strategy (2011)

Fern Bay is a 'Smaller Village Centre' within the Eastern Growth Corridor of Port Stephens. Opportunities exist for increasing densities to maximise access to existing infrastructure and additional commercial zoned land is required. There are opportunities for infill (42) and greenfield (1,396) residential dwellings with an estimated density of 10-12 dwellings per hectare.

Part B

Goals



Environment

GOAL

Protect the treasured and unique Stockton Bight for future generations and attract responsible heritage and nature-based tourism

Embrace the value of the Worimi Conservation Lands as a regional asset to benefit the local community

Understand coastal processes and identify management options for these processes

Protect environmental land to support the Watagan to Stockton Biodiversity Corridor

Focus development in areas that are less constrained and already disturbed

Promote local heritage and the traditional Aboriginal custodianship of the land

Community Aspirations and Strategic Directions



Town Centre

GOAL

Establish a conveniently located mixed-use town centre connected by technology, transport, housing, tourism and great public places

Community Aspirations and Strategic Directions

Provide a new local centre including a large format supermarket and complementary retail uses

Provide public spaces and a residential population surrounding the centre

Leverage from natural surroundings to increase visitors

Supporting the existing commercial centre at Stockton to increase its viability

Locate the town centre in a central location with exposure to Nelson Bay Road to support opportunities for increased walkability



Housing

GOAL

Grow a resilient coastal community with access to liveable and diverse housing

Community Aspirations and Strategic Directions

Provide diverse housing to support growth

Provide housing in areas well connected to public transport links for greater access

Increase housing densities within a walkable catchment to the mixed-use town centre

Limit housing growth on the urban fringe, particularly north of the Strategy Area



Open Space and Community Facilities

GOAL

Improve access to useable open spaces and well-designed community facilities to support daily activity and healthy lifestyles

Provide new community facilities with the mixed-use town centre

Community Aspirations and Strategic Directions

Maximise existing open space areas

Ensure new open space areas respond to community needs

Establish a district grade sports precinct at Corroba Oval

Provide library and other services to support the community



Transport

GOAL

Prioritise safe and convenient travel by walking, cycling, and use of public transport and duplicate Nelson Bay Road for its full length from Stockton to Newcastle Airport to support regional journeys

Investigate a ferry terminal at North Stockton

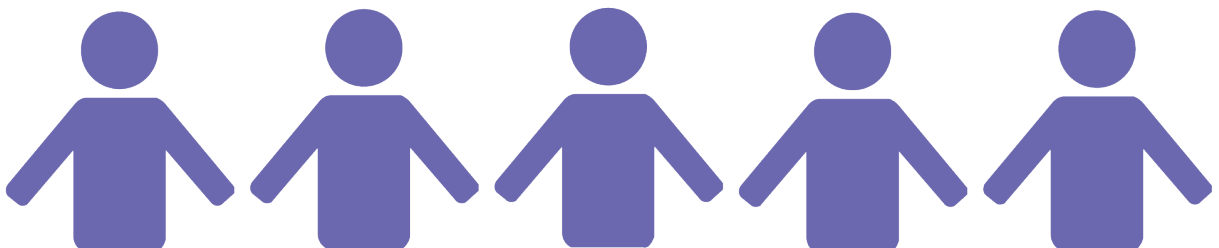
Community Aspirations and Strategic Directions

Safely connect people from homes to the mixed-use town centre and open space areas with foot and cycle paths

Promote walking and cycling as part of everyday life

Duplicate Nelson Bay Road as a regional transport corridor

Increase opportunities for public transport use by providing high quality bus stops



Tourism

GOAL

Advocate for tourist and visitor accommodation to support the regional visitor economy and Newcastle Airport

Community Aspirations and Strategic Directions

Encourage tourist and visitor accommodation in the new town centre

Consider land uses that support tourism and tourism support facilities

Consider hotel and other tourist and visitor accommodation along Nelson Bay Road

Recognise the area's tourism potential with connections to Newcastle City, Newcastle Airport and the Tomaree Peninsula



Part C

Planning Principles



This Part provides the principles for development within the Strategy Area. A Planning Proposal within the Strategy Area is to demonstrate how it is consistent with the principles and how it contributes to achieving each of the listed Goals.

C1 Environment

Goal: Protect the treasured and unique Stockton Bight for future generations and attract responsible heritage and nature-based tourism

Principles

1. Grow tourism in the region

- Encourage visitors to experience the history and natural beauty of the area and promote tourism support services such as cafes, restaurants and short term accommodation.

2. Protect the coast and increase resilience to natural hazards

- Consider the Newcastle Coastal Zone Management Plan 2018 and requirements of the future Coastal Management Program under the *Coastal Management Act 2016*.

3. Protect important environmental assets and enhance biodiversity connections

- Protect the Watagan to Stockton Link Biodiversity Corridor including WCL and other areas of environmental significance.

4. Recognise and conserve heritage

- Ensure the indigenous and non-indigenous significance of the area is reflected in the built environment through design, colours and materials.

C2 Town Centre

Goal: Establish a centrally located mixed-use town centre that is connected by technology, transport, housing, tourist and visitor accommodation and great public places

Principles

1. A traditional pattern of complete streets and public spaces

- Identify a distinct town centre incorporating a public domain that enables engagement and interaction of people.
- Provide a legible layout, with appropriate “landmarks” and adequate signage.
- Develop policies that promote high quality, creative design of development, urban spaces and landscape settings.
- Provide a variety of public spaces that are useable and pleasant to reflect community needs, including those for quiet reflection, noisy activities, public events and casual meetings.

2. Pedestrian priority and integrated public transport

- Provide a compact retail core and street network to encourage low vehicle speeds, use of public transport, walking and cycling, including commuter cycling and links to the beach.

3. Balanced and discrete parking provision

- Provide convenient car parking for shoppers at a level of provision that will encourage the use of public transport but not disadvantage retailers in competition with other town centres.

C3 Housing

Goal: Grow a resilient coastal community with access to liveable and diverse housing

Principles

1. Focus housing growth in locations that maximise infrastructure and services

- Encourage higher density residential development in the town centre, near public transport stops, parks and other public open spaces.

2. Deliver greater housing supply and choice

- Provide housing that is diverse in form, number of bedrooms, configuration and is

universally designed¹ to cater for aging in place.

- Provide aged care accommodation co-located with the mixed-use town centre to provide older residents easier access to services and transport.

3. Limit urban sprawl and impacts on the natural environment

- Promote housing development within the existing urban footprint and provide highest residential densities in proximity to the town centre.

C4 Open Space and Community Facilities

Goal: Improve access to useable open spaces and well-designed community facilities to support daily activity and healthy lifestyles

Principles

1. Optimise access

- Improve connections between residential and community areas and provide multipurpose, safe and innovative spaces that are equitably distributed across the local government areas.

2. Connect with nature and culture

- Utilise the existing natural setting and cultural values to design an integrated open space network.

3. Maximise user experience

- Encourage social connections, community participation, and promote health and wellbeing.

C5 Transport

Goal: Prioritise safe and convenient travel by walking, cycling and use of public transport and duplicate Nelson Bay Road for its full length from Stockton to Newcastle Airport to support regional journeys

Principles

1. Prioritise pedestrians and cyclists

- Link footpaths/shared paths from homes to the town centre, public spaces, and transport nodes including bus stops and ferry terminal(s).

2. Support public transport ridership

- Provide high quality transit stops (shelter, seating, signage, information and lighting) forming part of the transport network enabling convenient and safe access within and from the Strategy Area.

3. Maintain the integrity of Nelson Bay Road as a regional transport corridor

- Limit of one signalised intersection on Nelson Bay Road.
- Promote walking and cycling.
- Duplicate Nelson Bay Road to two lanes of travel in each direction from Stockton to Newcastle Airport and allow a share path, bus and access lanes.

C6 Tourism

Goal: Advocate for tourist and visitor accommodation to support the regional visitor economy and Newcastle airport

Principle

1. Encourage tourist and visitor accommodation in the new town centre

- Allow land uses to support tourism and tourism support facilities, hotel or tourist and visitor accommodation along Nelson Bay Road.

¹ **universal design** is the design and composition of an environment (e.g. building) so that it can be accessed, understood and used to the greatest

extent possible by all people regardless of their age, size, ability or disability (Source: National Disability Authority, 2012).

Part D

Precinct Plans



This Part provides the outcomes for each precinct that will be implemented through the Implementation Plan (**Attachment 1**).

Figure 5 – Overall Structure Plan

Environment Outcomes

- Investigate a Tomaree to Stockton walk (involving boardwalk/trails and observation decks) to link with the Great North Walk.
- Investigate the establishment of formal walking trails (including directional, educational and interpretational signage) to link Seaside Estate and the Rifle Range site with the WCL and existing beach access.

Town Centre Outcomes (for existing Stockton)

- Implementation of the Stockton Public Domain Plan and Traffic Plan.
- Review residential uses (particularly single dwellings) that are permissible within the B2 Local Centre Zone of NLEP.
- Further explore place making options and events to better activate spaces and assist in overall revitalisation of the existing centre.

Open Space and Community Facilities Outcomes

- Investigate future ownership of the beachfront land within the Strategy Area to enable continuous public access to the beach from Stockton to the WCL.
- Investigate feasibility of a new modern library and multipurpose facility to be located within the proposed mixed-use town centre.

Transport Outcomes

- Provide a shared path from Seaside Boulevard, along the access trail to the east of Newcastle Golf Club, through to Popplewell Road then link up with the existing shared path to the east of Nelson Bay Road. This could also include a link to the rear of Bayway Village.
- Indicative shared path providing a link between future development of the Rifle Range, potential mixed-use town centre and Fort Wallace sites. The location of this path would be determined pending detailed design of these developments.
- A future road link should be provided connecting the existing Fern Bay residential area through to North Stockton (Fullerton Street). The road would pass through the Rifle Range, the potential mixed-use town centre and Fort Wallace sites. Ensure relevant site specific DCP Sections allows for a road link connecting the three sites.
- Relocate, upgrade or construct bus stops in accordance with the Seca Traffic and Transport Study.
- Duplicate Nelson Bay Road to two lanes of travel in each direction between Vardon Road and Seaside Boulevard and allow a share path, bus and access lanes and two vehicle lanes in both directions.

Tourism Outcomes

- Consider land uses to support tourism and tourism support facilities, hotel or tourist and visitor accommodation along Nelson Bay Road.

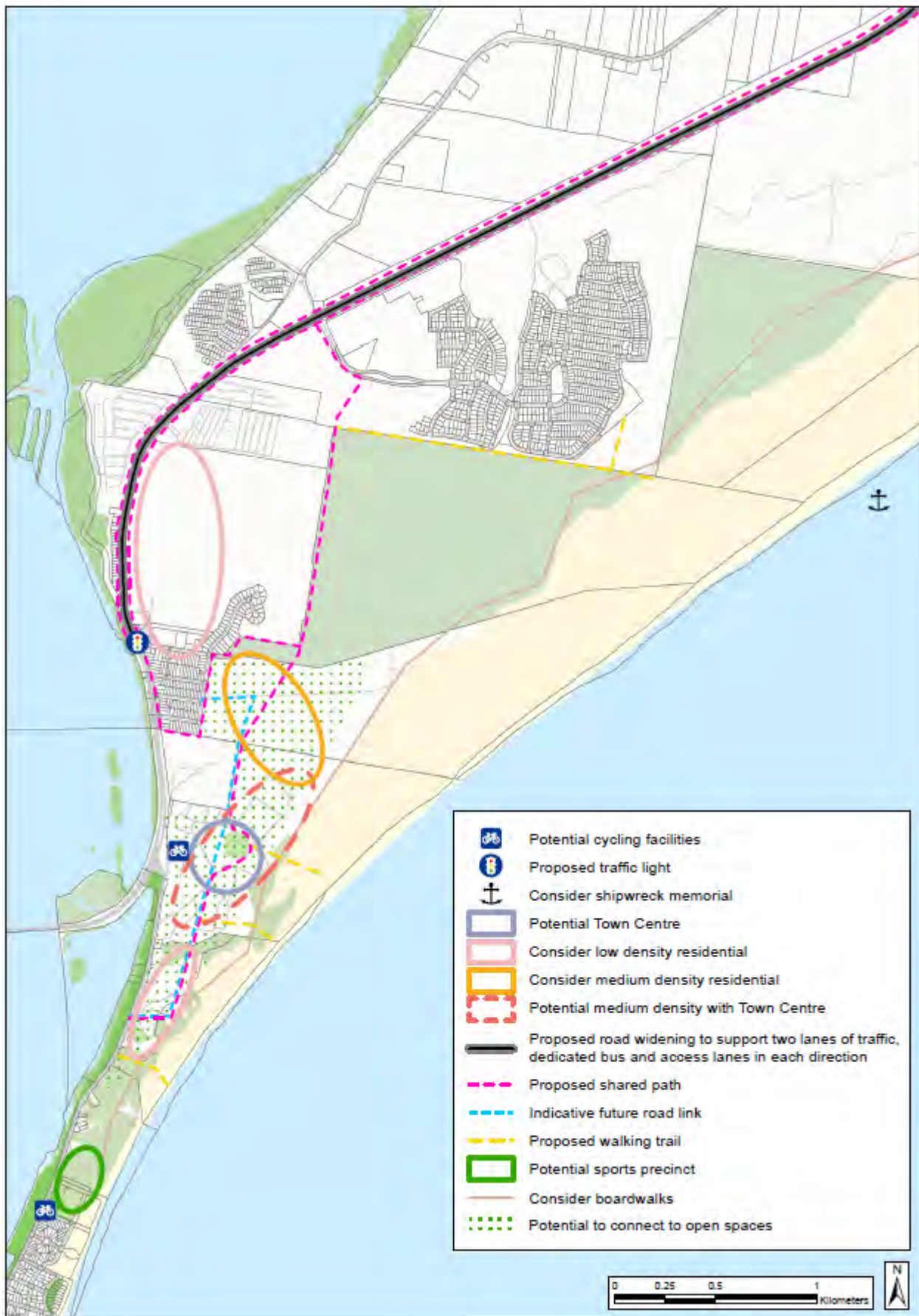


Figure 6 – Precinct 1: North Stockton

Environment Outcomes

- Recommend that Fort Wallace is included on the State Heritage Register.
- Review public access points to the northern parts of Stockton Beach to enhance accessibility, considering the impact on coastal erosion.
- Investigate potential source of sand for beach nourishment in Stockton area.

Town Centre Outcomes

- **Preferred Option:** Liaise with land owner to discuss future use of site. The site remains operational and no decision has been made by the State Government regarding future use of the site. A masterplan to outline how the site can be redeveloped into the future is required to support any future change in land use. The masterplan process is to consider (but is not limited to) connections to adjacent sites, access to Stockton Beach, heritage and environmental opportunities, dwelling type and yield (including provision of affordable housing), location of mixed-use town centre incorporating commercial, residential, tourist and visitor accommodation, open space and community uses.

Housing Outcomes

- Provide housing incorporated with a mixed-use town centre comprising residential (low - medium density) accommodation, commercial, community and recreation uses. Note, the envisaged potential land uses would allow the existing uses on the site to continue.
- Fort Wallace – Proceed with Planning Proposal as per the Gateway Determination to allow part of the site to be zoned R2 Low Density Residential.

Transport Outcomes

- Upgrade the existing bus stop on the eastern side of Fullerton Street, adjacent to the Fort Wallace access, to provide seating and shelter.
- Remove the signage for the bus stop to the immediate north of the Stockton Bridge. Upgrade the existing bus stop on the western side of Nelson Bay Road, adjacent to the Stockton Cemetery access, to provide seating and shelter. This would be developed in conjunction with a pedestrian refuge to be provided in this location.
- Provide a bus stop with seating and shelter along the western side of Fullerton Street, opposite the access to the potential future mixed-use town centre. Encouraging safe crossing of Fullerton Street at the existing pedestrian (zebra) crossing in this location.
- Review the operation of the roundabout intersection at Nelson Bay Road / Fullerton Street prior to planning for the North Stockton Precinct which may not be required if the predicted level of background growth or future development is not realised.
- Investigate a ferry terminal at North Stockton to support growth in the longer term. An existing boat ramp at North Stockton (south of Corroba Oval) has recently been upgraded. This opportunity could be further investigated in the future.

Tourism Outcomes

- Encourage tourism and visitor accommodation in town centre.



PRECINCT ONE: NORTH STOCKTON

	400m Catchment		Health		Review Heritage
	Existing Pathway		Housing		Beach Accesss
	Through Site Connection		Open Space		Planning Proposal
	Shared Pathway		Environmental		Transport Actions
	Biodiversity Corridor		Infrastructure		
	Road Link		Roads		
	Potential Walking Trails				

Figure 7 – Precinct 2: Original Fern Bay

Town Centre Outcomes

- Liaise with landowner to discuss potential future use of the site. The masterplan process is to consider (but is not limited to) connections to adjacent sites, access to Worimi Conservation Lands, heritage and environmental opportunities, dwelling type and yield, tourist and visitor accommodation, open space and community uses.

Housing Outcomes

- Provide housing with greater densities closer to the proposed mixed-use town centre.
- Undertake feasibility modelling to identify incentives or necessary amendments to planning controls to encourage infill housing development in Original Fern Bay.
- Consult with the NSW Department of Education on potential growth scenarios and the provision of educational facilities and advocate for the provision of preschools.

Transport Outcomes

- Upgrade the existing bus stop on the western side of Nelson Bay Road, adjacent to the Palm Lakes Resort access, to provide seating and shelter.
- Relocate the existing bus stop on the eastern side of Nelson Bay Road, north of Vardon Road, to the south of Vardon Road. This relocation will allow for sufficient area to provide a bus stop with seating and shelter located in close proximity to the future signalised intersection of Nelson Bay Road and Vardon Road allowing for pedestrian phases on the signals.
- Provide a bus stop with seating and shelter along the western side of Nelson Bay Road, to the north of Vardon Road, to encourage safe crossing at the future signalised intersection.
- Upgrade the existing footpath along the eastern side of Nelson Bay Road, between Bayway Village and Braid Road, to provide a shared path along the length of Nelson Bay Road through the locality.
- Extend the existing footpath, along the frontage of the residential developments on the western side of Nelson Bay Road, to the south to Vardon Road providing connection for pedestrians to cross safely at the future signalised intersection of Nelson Bay Road and Vardon Road.
- Provide a suitably located refuge island at Nelson Bay Road near Palm Lakes / Bayway Village.
- Construct traffic signals and pedestrian crossing at the intersection of Vardon Road and Nelson Bay in conjunction with the Rifle Range Planning Proposal to allow the safe crossing of Nelson Bay Road for pedestrians and enable safe vehicular access onto Nelson Bay Road.

Tourism Outcomes

- Landuses along Nelson Bay Road to consider hotel or tourist and visitor accommodation.

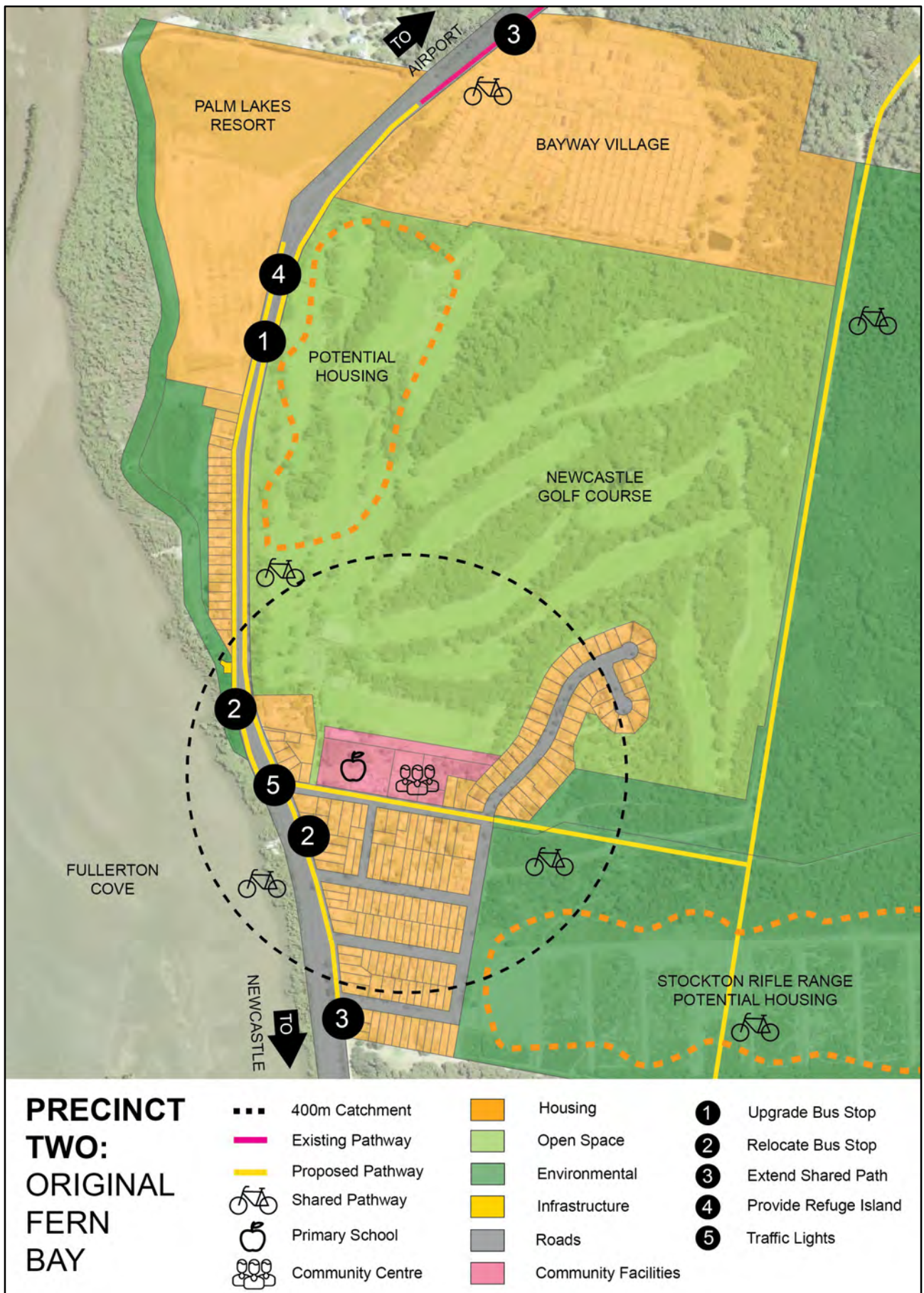


Figure 8 – Precinct 3: Beachfront

Environment Outcomes

- Review the heritage significance of the Rifle Range site through the assessment of the 'Request to Amend the Port Stephens Local Environmental Plan'.

Housing Outcomes

- Undertake a detailed assessment of the 'Request to Amend the Port Stephens Local Environmental Plan' submitted by DHA for the Rifle Range site.
- Support the proposed town centre by providing medium density housing within walkable distances.

Open Space and Community Facilities Outcomes

- Investigate options for improved continuous public access to the breach from Stockton to the Worimi Conservation Lands.

Transport Outcomes

- Provide an internal bus stop as part of the future development of the Rifle Range Site. Consideration should be given to providing bus services through the existing Fern Bay residential area, to service the adjacent Rifle Range site.

Figure 8 – Precinct 4: Sports

Open Space and Community Facilities Outcomes

- Investigate a new Sporting Precinct at Corroba Oval including multipurpose courts, additional playing fields, parking, amenities building and undercover seating.

Transport Outcomes

- Consider constructing a pedestrian refuge island on Fullerton Street to ensure safe pedestrian access to Corroba Oval.
- Request RMS to review the 70km/hr speed limit on Fullerton Street and consider a reduction to 50km/hr.
- Consider cycling facilities (including electric) at the proposed Sporting Precinct at Corroba Oval or the mixed-use town centre and Stockton Ferry terminal.
- Advocate to Transport NSW for a new ferry terminal at North Stockton. A potential location is the existing boat ramp that has recently been upgraded.

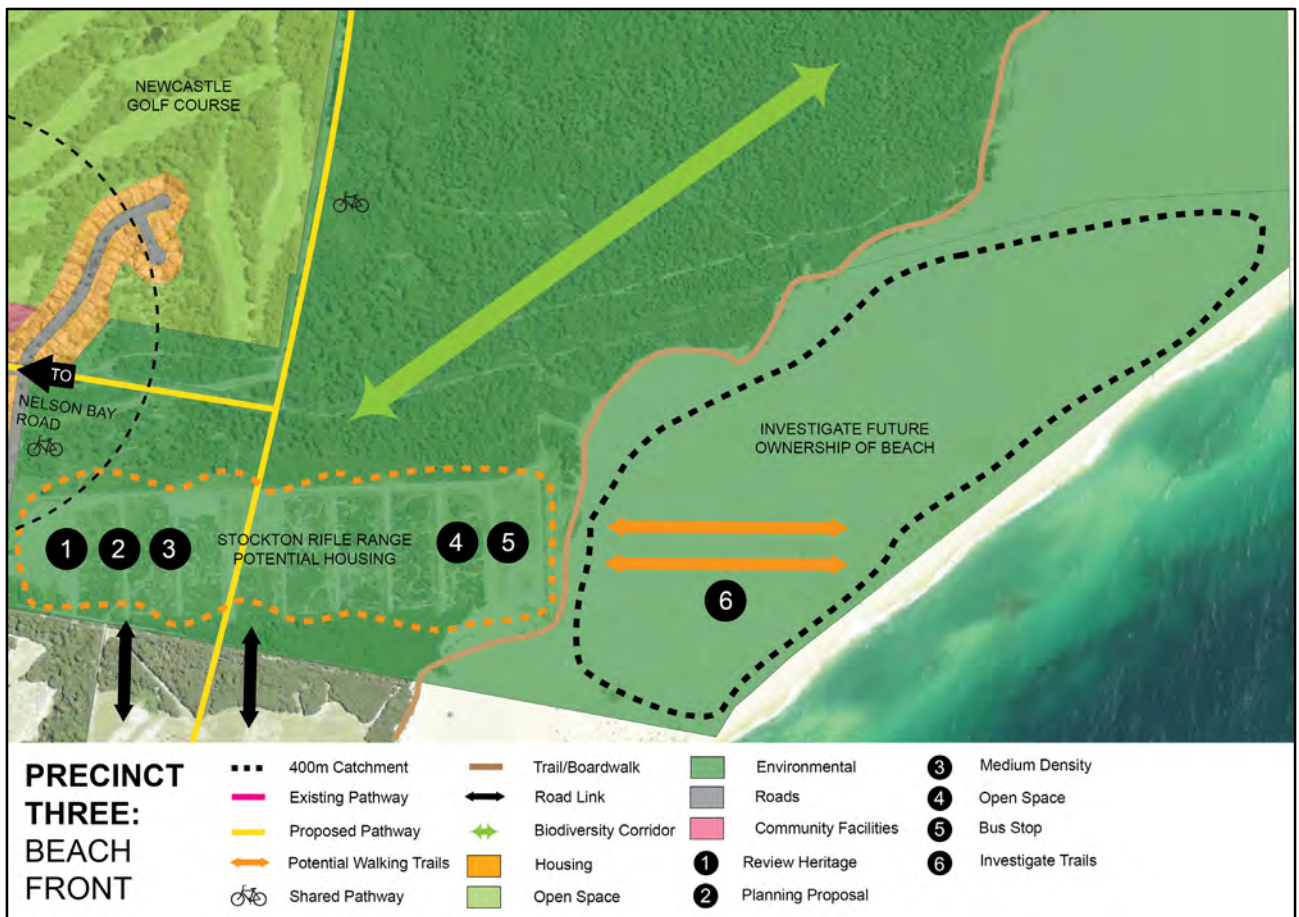


Figure 9 – Precinct 5: Seaside Estate

Town Centre Outcomes

- Undertake a detailed assessment of the 'Request to Amend the Port Stephens Local Environmental Plan' submitted for 2 Seaside Boulevarde, Fern Bay.
- Potential may exist for an interim neighbourhood shop to be provided within the Seaside Estate to service residents day-to-day needs until the establishment of a town centre. Any such interim neighbourhood shop should be limited to ensure that it does not undermine the future viability of retail and commercial uses provided with the future town centre.

Open Space and Community Facilities Outcomes

- Continue investigations to improve recreational and community facilities at Seaside Estate, including public toilets within the development.

Transport Outcomes

- Relocate and upgrade (seating and shelter) the existing Seaside Estate bus stop further east along Seaside Boulevard to provide greater connectivity for local residents.

Figure 10 – Precinct 6: Fullerton Cove

Environment Outcomes

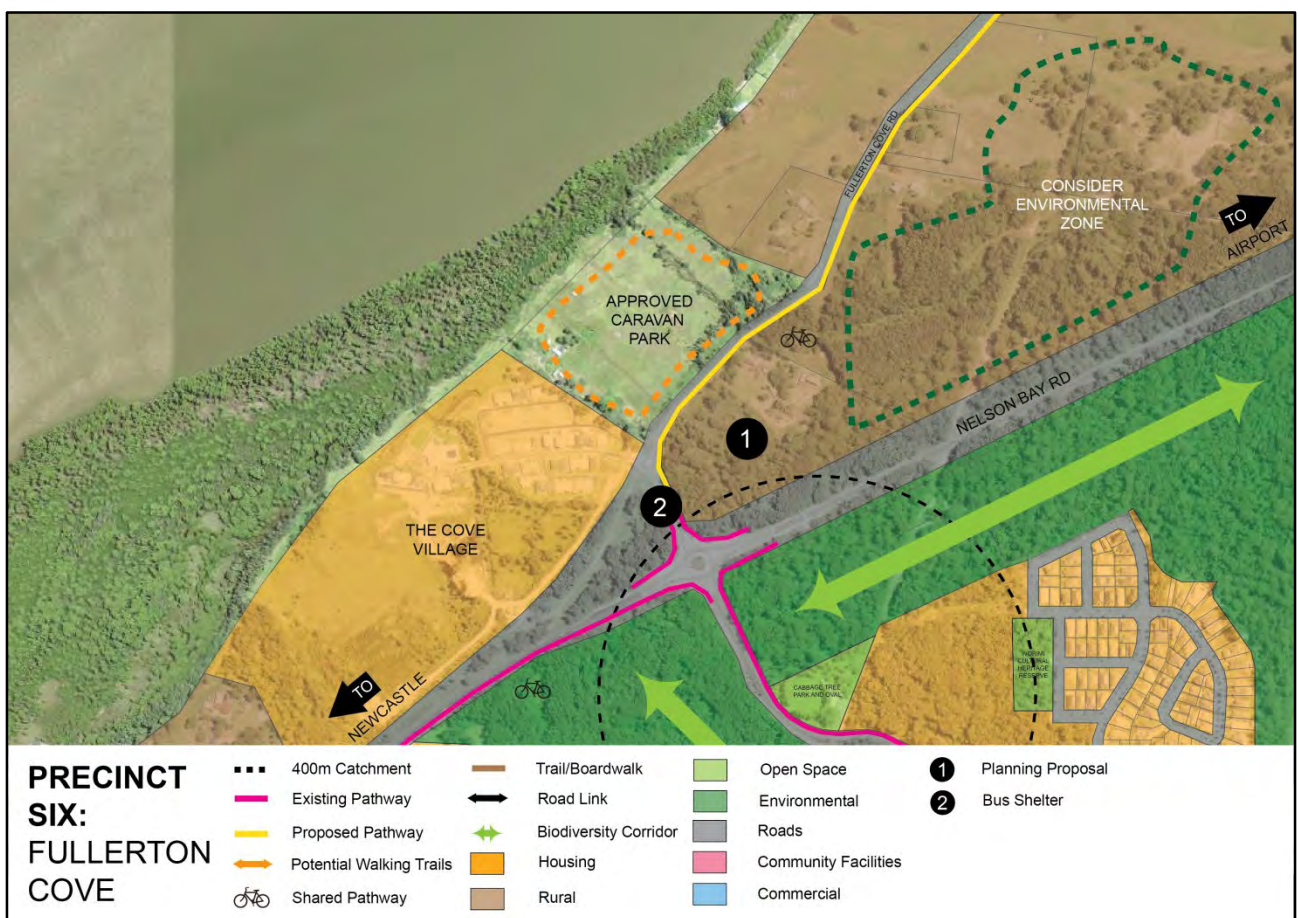
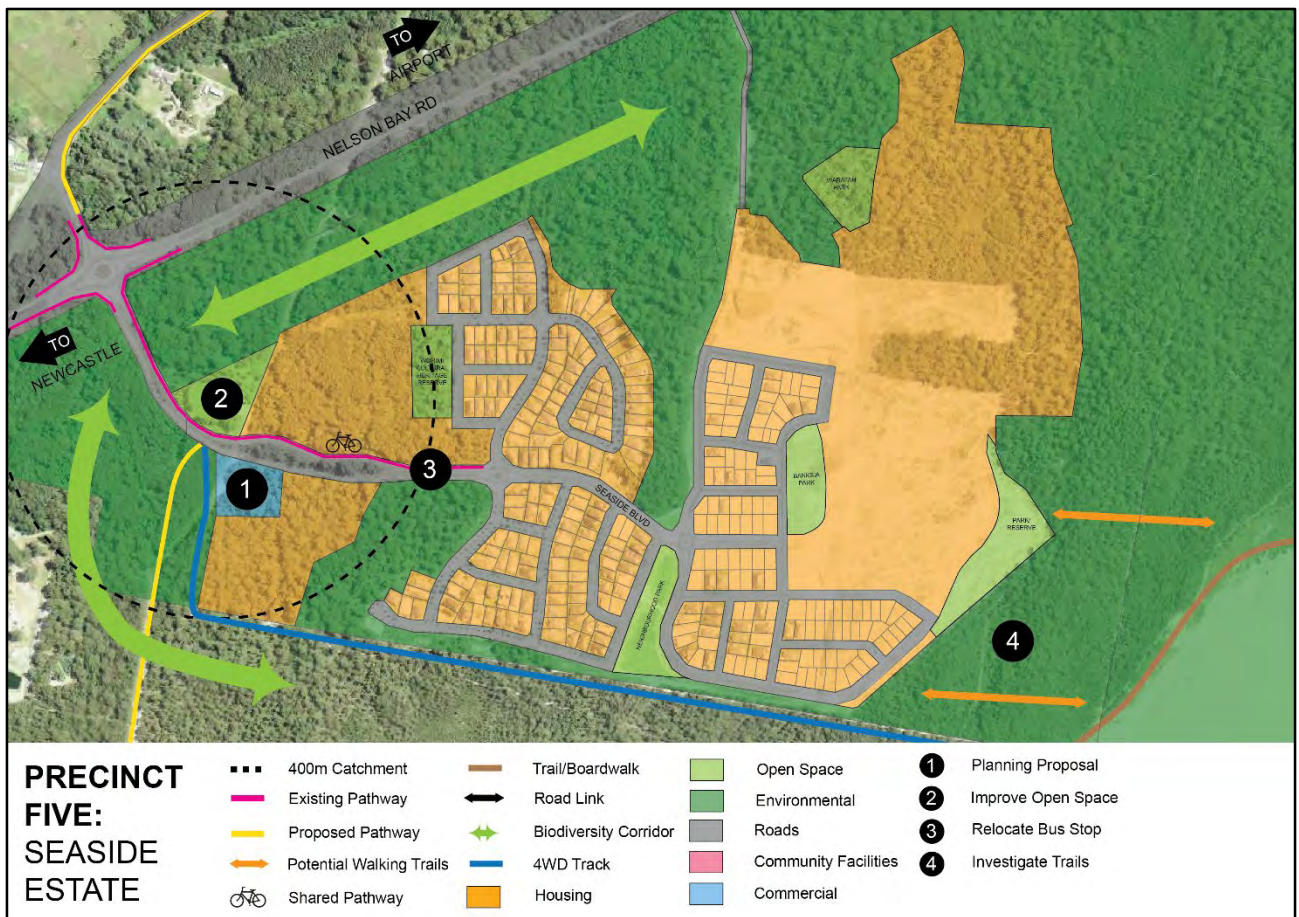
- Consider rezoning land mapped as containing an endangered ecological community to an environmental zone.

Town Centre Outcomes

- Undertake a detailed assessment of the 'Request to Amend the Port Stephens Local Environmental Plan' submitted for 42 Fullerton Cove Road, Fullerton Cove.
- Do not support proposals to establish a town centre within the precinct at this time as per the HillPDA. 2017, 'Commercial Land Study: Fern Bay and North Stockton'.

Transport Outcomes

- Provide seating and shelter on both sides of Fullerton Cove Road in the location of the existing bus zones.





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**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
SUPPLEMENTARY REPORT - EXHIBITION OF DRAFT FERN BAY
AND NORTH STOCKTON STRATEGY**

Item 76 Attachment B: Implementation Plan



PORT STEPHENS
COUNCIL



City of
Newcastle

Implementation Plan:

Draft Fern Bay and North Stockton Strategy



Attachment 1 Implementation Plan

Key:	
I	Immediate – 0-2 years (2019 – 2021)
S	Short term – 3-5 years (2022 – 2024)
M	Medium term – 6-10 years (2025 – 2029)
L	Long term – 11-20 years (2030 – 2039)
O	Ongoing (continuous action and/or monitoring)

No	Actionable Outcome	Specific
		What will be undertaken?
Overall		
1	Investigate a Tomaree to Stockton walk (involving boardwalk/trails and observation decks) to link with the Great North Walk.	Discussions with relevant stakeholders will be undertaken to plan for a connected trail.
2	Investigate the establishment of formal walking trails (including directional, educational and interpretational signage) to link Seaside Estate and the Rifle Range site with the WCL and existing beach access.	<ul style="list-style-type: none"> • Ensure Planning Proposals or staging of existing residential developments include pedestrian access to conservation lands and the beach. • Discuss options with Seaside Estate residents/developer, NPWS and WCL Board of Management.
3	For existing Stockton Town Centre: Implementation of the Stockton Public Domain Plan and Traffic Plan.	Staging and costing of the works, detailed design and implementation.
4	For existing Stockton Town Centre: Review residential uses (particularly single dwellings) that are permissible within the B2 Local Centre Zone of Newcastle Local Environmental Plan 2012.	Further investigate removing single dwellings as a permissible use within the B2 Local Centre Zone in response to actions contained within Newcastle Local Planning Strategy and the Hill PDA Commercial Study.
5	For existing Stockton Town Centre: Further explore place making options and events to better activate spaces and assist in overall revitalisation of the existing centre.	Consider more activities to celebrate Stockton's unique history, heritage and culture.
6	Investigate options for improved continuous public access to the beach from North Stockton to the WCL.	Undertake discussions concerning future ownership and management of beachfront land with key stakeholders, including landowners so the community can access the beach. Sites include Lot 5, DP 233358; Lot 430, DP 835921; and Lot 202, DP 1150470
7	Investigate feasibility of a new modern library and multipurpose facility to be located within the proposed mixed-use town centre.	A larger library is required to support the District Area (Fullerton Cove, Fern Bay and Stockton). Further planning and understanding around feasibility is required.

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Measurable	Assignable	Realistic	Timing
How will the action be measured as a success?	Who will implement the action?	What results can be achieved given resources?	
Overall			
Funding and approval of a project plan to construct a Tomaree to Stockton Walk.	NPWS, WCL Board of Management and Worimi LALC (landowners). PSC (Strategic Planning) & CN as advocates in conjunction with land owners and board.	The project would require multi-agency cooperation and significant contributions from grant funding. Liaison with the state government is recommended.	L
<ul style="list-style-type: none"> Future Planning Proposals to identify how these will work. Detailed costing and design for location and number of links finalised. 	NPWS, WCL Board of Management and Worimi LALC and site landowners. PSC (Strategic Planning) to advocate and consider with any relevant rezoning.	<ul style="list-style-type: none"> Subject to working in collaboration with landowners and key stakeholders. PSC does not own any land and this may increase complexity in delivering the projects. 	M
Implementation of the works outlined in the plan.	CN	Through work programs and already agreed upon funding.	O
Finalise assessment as part of preparation of the Housing Strategy and Local Strategic Planning Statement and potential Planning Proposal.	CN	Through work programs and already agreed upon funding.	S
Community feedback, activated spaces and a revitalised centre.	Stockton Community in partnership with CN	Through work programs and place making grants.	O
Improved public access to the beach between Stockton and WCL.	CN, PSC (Strategic Planning + Community and Recreation Assets), NPWS, landowners and other key stakeholders.	Through work programs. Investigation needs to understand ongoing maintenance and associated costs required.	S
Selection of preferred site and location ideally within an identified community hub or precinct, located within the proposed mixed use centre and better understanding of associated costs.	CN and PSC (Library Services)	Preparation of a project brief can be done through work programs. A new library for Stockton is listed in the Development Contributions Plan. Funding and grants are also available to construct libraries.	S

No	Actionable Outcome	Specific
8	A future road link should be provided connecting the existing Fern Bay residential area through to North Stockton (Fullerton Street). The road would pass through the Rifle Range, the potential mixed-use town centre and Fort Wallace sites.	Ensure relevant site specific DCP Sections allows for a road link connecting the three sites.
9	Construct footpaths and shared paths in accordance with the Seca Traffic and Transport Study.	Four paths have been identified and prioritised in the Seca T&T Study. These paths will be designed, costed and included in the relevant SAMP.
10	Relocate, upgrade or construct bus stops in accordance with the Seca Traffic and Transport Study.	Eleven bus stop locations have been identified and prioritised in the Seca T&T Study. These bus stops will be designed, costed and included in the relevant SAMP.
11	Advocate for widening of Nelson Bay Road to two lanes of travel in each direction plus bus and access lanes between Vardon Road and Seaside Boulevard.	Provide a written submission to RMS detailing outcomes of the Seca T&T Study and need for upgrade and prioritise journeys to the Newcastle airport.
12	Prepare an amendment to the Strategic Asset Management Plan (SAMP) to align the infrastructure items outlined in this Strategy with the SAMP for each council.	Each council will prepare separate amendments to their SAMP to ensure that the infrastructure identified in this Strategy can be delivered as the area grows.
13	Prepare an amendment to the relevant Local Infrastructure Contributions Plan to align the infrastructure items outlined in this Strategy.	Each council will prepare separate amendments to their Infrastructure Contributions Plans to ensure that the infrastructure identified in this Strategy can be delivered as the area grows.
14	Consider infrastructure funding options in addition to the SAMP and Infrastructure Contributions Plans.	Council's often rely on grant funding, either wholly or partly, to deliver infrastructure projects. This action will be implemented by identifying other funding options, such as state and national grants, to deliver the infrastructure identified in this Strategy.
Precinct 1: North Stockton		
15	Review public access points to the northern parts of Stockton Beach to enhance accessibility, considering the impact on coastal erosion.	Consolidation of access points to be considered through the preparation of the Stockton Coastal Management Plan.
16	Investigate potential source of sand for beach nourishment in Stockton area.	Further explore with landowner and key stakeholders potential to use sand from north of Fort Wallace as a source of sand to replenish the southern end of Stockton.

Measurable	Assignable	Realistic	Timing
Council Adopted DCP's identifying the proposed link	CN and PSC (Strategic Planning + Civil Assets)	Subject to landowners undertaking relevant proposals and liaison with Council.	S
Inclusion of proposed paths in relevant SAMP and Development Contributions Plans.	CN and PSC (Civil Assets)	Though works programs. Development Contributions funds may be utilised and grants should be considered following detailed design and costing.	S
Inclusion of proposed paths in relevant SAMP and Development Contributions Plans.	CN and PSC (Civil Assets)	Though works programs. Development Contributions funds may be utilised and grants should be considered following detailed design and costing.	S-M
Construction of road widening.	RMS – construction CN and PSC – written submission (Strategic Planning)	RMS are intending to develop a Strategy which will identify and prioritise upgrades along the corridor. Implementation of this action will be dependent on RMS.	L
The adoption of an amended SAMP for each council.	CN and PSC (Civil Assets)	The SAMP is updated every 12 months. Depending on the timing for adoption of this Strategy, the infrastructure items can be identified in a future amendment to the SAMP.	I
The adoption of an amended Contributions Plan for each council	CN and PSC (Strategic Planning)	An amendment can be prepared to the existing Contributions Plans adapted by each council. This could occur following adoption of the Strategy.	I
This action will be measured by the identification of potential grant funding schemes and the completion of grant applications for infrastructure item identified in this plan.	CN and PSC (Strategic Planning, Civil Assets + Community and Recreation Assets)	Council often applies for grants to assist in delivering infrastructure projects. This action is realistic given the nature of infrastructure delivery through local government.	O
Precinct 1: North Stockton			
<ul style="list-style-type: none"> Public access points are constructed. Monitoring through implementation of Plans. Visual inspections to show reduction of informal access points. 	CN	<ul style="list-style-type: none"> CN will implement this action through respective work programs. Funding sources may be available through grants or Development Contributions. 	S-M
Investigation studies for sand sourcing completed.	CN	Investigations conducted as part of implementation of Newcastle Coastal Zone Management Plan and preparation of Coastal Management Program.	S

No	Actionable Outcome	Specific
17	Preferred Option: Liaise with land owner to discuss future use of site. A masterplan to outline how the site can be redeveloped into the future is required to support any future change in land use. The masterplan process is to consider matters identified in this Plan.	Development of a masterplan consistent with the Fern Bay and North Stockton Strategic Plan, Location Environment Plan, Development Control Plan and other relevant legislation.
18	Fort Wallace – Proceed with Planning Proposal as per the Gateway Determination to allow part of the site to be zoned R2 Low Density Residential.	Proceed with LEP Amendment to allow around 100 dwellings on growth on the Fort Wallace site.
19	Establish a ferry terminal at North Stockton to support growth in the longer term.	Advocate to Transport NSW for a new ferry terminal at North Stockton. A potential location is the existing boat ramp that has recently been upgraded.
Precinct 2: Original Fern Bay		
20	Liaise with landowner to discuss future use of site. A masterplan to outline how the site can be redeveloped into the future is required to support any future change in land use. The masterplan process is to consider matters identified in this Plan.	Development a masterplan consistent with the Fern Bay and North Stockton Strategic Plan, Location Environment Plan, Development Control Plan and other relevant legislation.
21	Undertake feasibility modelling to identify incentives or necessary amendments to planning controls to encourage infill housing development in Original Fern Bay.	Further investigate planning incentives to encourage infill housing in original Fern Bay by liaising with DPE.
22	Consult with the NSW Department of Education on potential growth scenarios and the provision of educational facilities and advocate for the provision of preschools.	Provide a joint written submission to NSW Department of Education on potential growth scenarios, the provision of educational facilities and consider the provision of preschools.
23	Provide a suitably located refuge island at Nelson Bay Road near Palm Lakes / Bayway Village.	Liaise with RMS regarding relocating the refuge island.
24	Construct traffic signals and pedestrian crossing at the intersection of Vardon Road and Nelson Bay in conjunction with the Rifle Range Planning Proposal to allow the safe crossing of Nelson Bay Road for pedestrians and enable safe vehicular access onto Nelson Bay Road.	Traffic signals will be linked to development of the Rifle Range site and subject to the development progressing.
Precinct 3: Beachfront		
25	Review the heritage significance of the Rifle Range site through the assessment of the Request to Amend the Port Stephens Local Environmental Plan.	Prepare Councils planning proposal to list the Rifle Range as a Heritage item (Part 1) in Schedule 5 of the PSLEP.
26	Undertake a detailed assessment of the 'Request to Amend the Port Stephens Local Environmental Plan' submitted by DHA for the Rifle Range site.	Undertake a detailed assessment of the 'Request to Amend the Port Stephens Local Environmental Plan' submitted by DHA for the Rifle Range site.

Measurable	Assignable	Realistic	Timing
Completion of the master plan.	Landowner in consultation with CN	Through work programs.	S
Gazettal of the LEP Amendment.	CN Urban Planning	Through work programs.	I
Construction of a ferry terminal.	Transport for NSW / RMS – construction CN – written submission	Need for the terminal is apparent from the overuse of the Stockton terminal and projected growth identified in this plan. Implementation will be dependent on Transport for NSW/RMS.	I
Precinct 2: Original Fern Bay			
Completion of the Master Plan	Landowner in consultation with PSC (Strategic Planning)	Through work programs.	I
PSC to review progress including reviewing DAs or CC's for infill development.	PSC (Strategic Planning) to liaise with DPE.	Through work programs.	M
Discussion with NSW Department of Education and ongoing review of social infrastructure to support the North Stockton and Fern Bay community.	PSC & CN (Strategic Planning) – written joint submission	Through work programs.	I
Construction of refuge island.	PSC (Civil Assets) / RMS	Needs to be identified in the SAMP and funding determined.	S
Construction of traffic signals.	PSC (Strategic Planning) / landowner	Identification of the item in Development Contributions Plan may be necessary.	M
Precinct 3: Beachfront			
An amendment to the LEP is gazetted 12 months following the Gateway Determination.	PSC (Strategic Planning)	The NSW Department of Planning and Environment identifies 12 months as a target timeframe for minor LEP amendments.	I
Completion of the detailed assessment and preparation of a Planning Proposal.	PSC (Strategic Planning)	Through work programs.	I

No	Actionable Outcome	Specific
Precinct 4: Sports		
27	Investigate a new Sporting Precinct at Corroba Oval including multipurpose courts, additional playing fields, parking, amenities building and undercover seating.	<ul style="list-style-type: none"> • Prepare a report considering the potential upgrades needed to support the community and recommendations from the Stockton Coastal Zone Management Plan and Program. • Liaise with HWC as adjoining landowner.
28	Consider constructing a pedestrian refuge island on Fullerton Street to ensure safe pedestrian access to Corroba Oval.	Identify the refuge island in the SAMP.
29	Request RMS to review the 70km/hr speed limit on Fullerton Street and considered a reduction to 50km/hr.	Provide a written submission to RMS detailing outcomes of the Seca T&T Study and need for review.
Precinct 5: Seaside Estate		
30	Undertake a detailed assessment of the 'Request to Amend the Port Stephens Local Environmental Plan' submitted for 2 Seaside Boulevard, Fern Bay.	Undertake a detailed assessment of the 'Request to Amend the Port Stephens Local Environmental Plan' submitted for Site 6.
31	Continue investigations to improve recreational and community facilities at Seaside Estate.	Liaise with developer to better understand what facilities are proposed and when they will be constructed to support residents of the development.
Precinct 6: Fullerton Cove		
32	Consider rezoning land mapped as containing an endangered ecological community to an environmental zone.	Investigate preparing a Planning Proposal by leasing with DPE, OEH and relevant Council staff to amend LEP.
33	Undertake a detailed assessment of the 'Request to Amend the Port Stephens Local Environmental Plan' submitted for 42 Fullerton Cove Road, Fullerton Cove.	Undertake a detailed assessment of the 'Request to Amend the Port Stephens Local Environmental Plan' submitted for Site 4.

Measurable	Assignable	Realistic	Timing
Precinct 4: Sports			
Adoption of a masterplan for the site.	CN	Report prepared initially may be included through works programs. Master planning of the site may require an external consultant (which may be funded by Development Contributions).	S
Construction of refuge island	CN / RMS	Needs to be identified in the SAMP and funding determined.	S
Review undertaken by RMS and response received.	RMS – review CN – written submission	Through works program.	I
Precinct 5: Seaside Estate			
Completion of the detailed assessment and preparation of a Planning Proposal.	PSC (Strategic Planning)	Through work programs.	I
Community feedback on appropriate facilities.	PSC (Strategic Planning) to facilitate communication between Seaside Estate developer and residents.	Through work programs.	S
Precinct 6: Fullerton Cove			
Preparation of a planning proposal to amend the LEP.	PSC (Strategic Planning)	Through works program.	S
Completion of the detailed assessment and preparation of a Planning Proposal.	PSC (Strategic Planning)	Through work programs.	I



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**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
SUPPLEMENTARY REPORT - EXHIBITION OF DRAFT FERN BAY
AND NORTH STOCKTON STRATEGY**

Item 76 Attachment C: Background Investigations



PORT STEPHENS
COUNCIL



City of
Newcastle

Background Investigations:

Draft Fern Bay and North Stockton Strategy



Attachment 2 Background Investigations

Attachment 2 provides an overview of the investigations that were carried out to inform the Planning Principles (Part C) and Precinct Plans (Part D).

List of Figures in Attachment

Figure 2A	Existing land uses
Figure 2B	Environmental considerations heat map
Figure 2C	Potential town centre site
Figure 2D	Strengths and opportunities - SWOT Analysis: Stockton Local Centre
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Figure 2F	Envisaged demographic
Figure 2G	Anticipated dwellings
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Figure 2I	Envisaged housing types
Figure 2J	Estimated growth
Figure 2K	Standards for open space and facilities
Figure 2L	Nelson Bay Road Future Cross Section

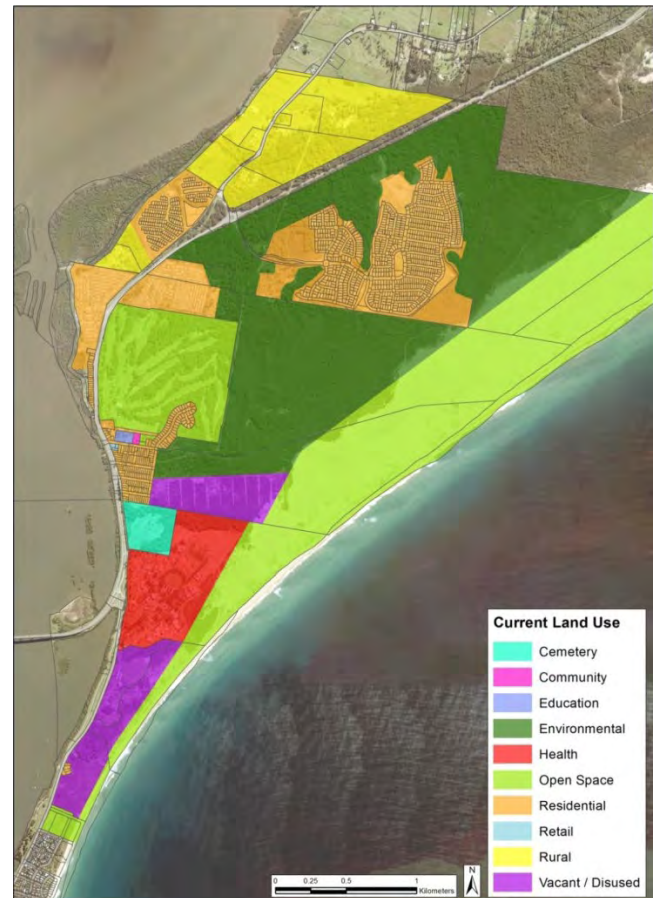


Figure 2A – Existing land uses

B1 Environment

The Strategy Area has a diverse range of environmental attributes affecting land use patterns. The Heat Map (Figure 6) illustrates how land in the Strategy Area is affected by accumulative constraints. The Strategy Area is bound by the Hunter River and Stockton Beach which increases the likelihood of flooding and drainage issues. The following list includes some of the environmental considerations in the Strategy Area:

- Coastal Zone and Wetlands
- Drainage and Flooding
- Endangered Ecological Communities
- Heritage (Indigenous and Non-Indigenous)
- Ramsar (Hunter) Wetlands
- Koala Habitat

Coastal Erosion

Stockton has the largest active dunes in coastal Australia and the Stockton Beach has a long history of erosion and recession. The dunes are un-vegetated which allows sand to be blown into and northwards along the dunes and onto surrounding lands (BMT WBM, 2017). Past modelling has indicated that the breakwaters at the Hunter River entrance have interrupted the flow of sand from Nobbys north to Stockton Beach. Erosion continues to worsen resulting in a significant volume of sand being lost from Stockton Beach each year. Sand from further north along the dunes may offer a potential source of sand to replenish eroded beach. Hazard lines have been developed to assist with planning for growth. These hazard lines are under review by CN.

Green Corridors

The Strategy Area is located within the Watagan to Stockton Link Biodiversity Corridor (identified by the HRP). Planning in this area aims to conserve existing remnant vegetation and invest in the rehabilitation of land to strengthen the regionally significant corridor. The viability of the corridor is influenced by current and future land

use demands in the area. The Strategy attempts to ensure lands of ecological significance are protected to support the corridor.

Worimi Conservation Lands

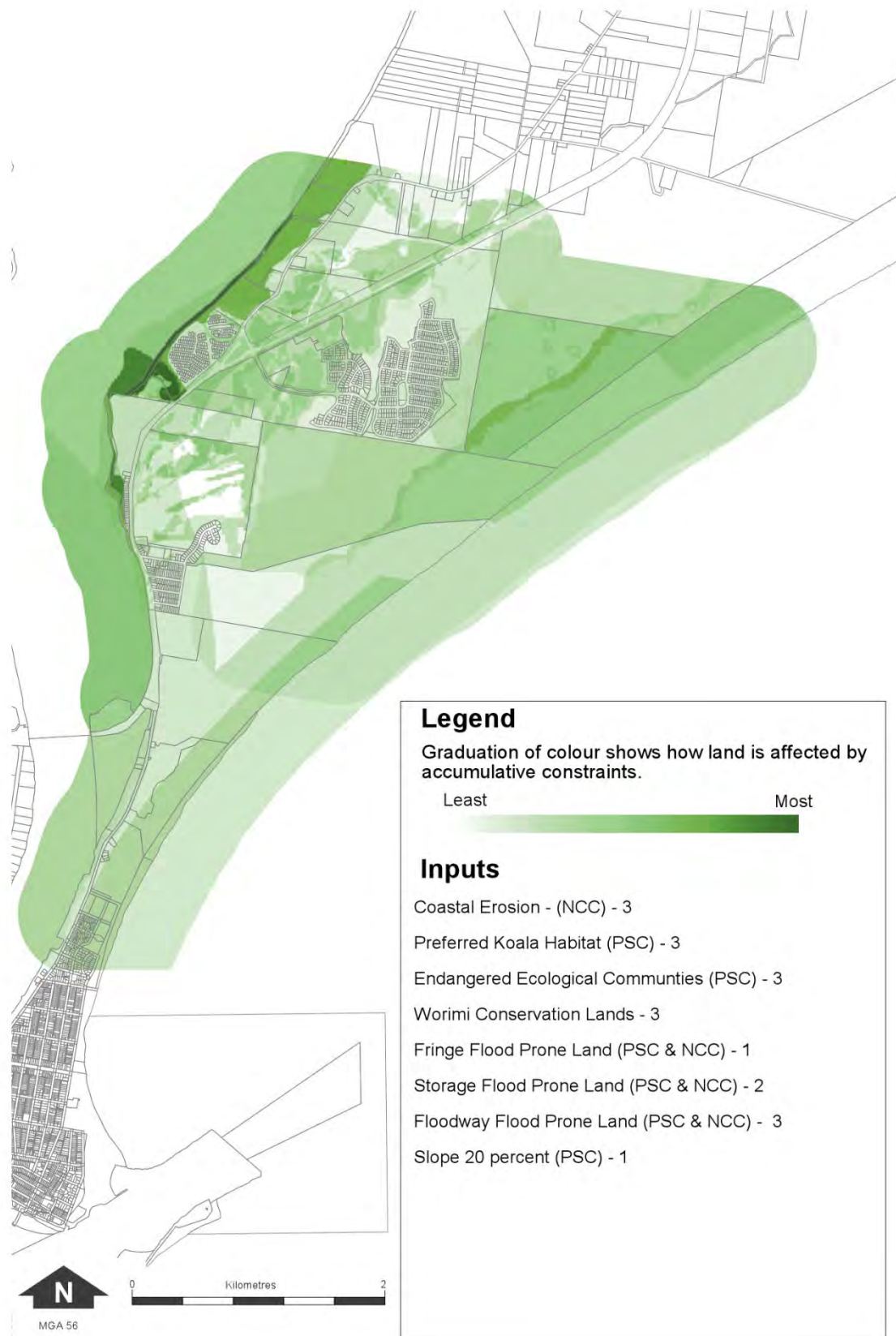
Worimi Conservation Lands (WCL) and Stockton Bight are distinctive features of the Port Stephens LGA connecting Nelson Bay to Stockton. The Bight includes 30km of beach and prominent sand dunes reaching up to 40m in height. The Stockton Bight provides a unique setting for outdoor recreation, education and cultural tourism.

The Plan of Management for WCL sets a vision to protect, respect and connect with Country. Considerable archaeological investigations and reporting of the lands has been undertaken with a number of sites (including middens, stone artefacts and bird, fish, animal bone and burial sites) identified as providing material evidence of the Worimi People's past use. The sites protected are "important to Aboriginal people for social, spiritual, historical, and commemorative reasons" (OEH, 2015).

There is limited pedestrian access to the WCL including the absence of a walking trail to Stockton Beach. While significant tourism opportunities are available at WCL, such as four-wheel driving, horse riding and quad bike riding, these activities must be balanced with the efforts seeking to protect conservation lands including Aboriginal sites.

PFAS Contamination

The Williamstown RAAF Base PFAS Management Area Maps published by the EPA identify the North West portion of the Strategy Area as part of its Broader Management Zone. The EPA advises that the topography and hydrology of the area means PFAS detections could occur within the Broader Management Zone. Precautionary advice issued by the EPA for residents in the PFAS Management Area aims to discourage activities that would increase the likelihood of human exposure to PFAS chemicals originating from the Williamstown RAAF Base.



Map Disclaimer: The map focuses on identifying where development is not appropriate due to land suitability. The map is intended to give an overview of constrained land within the Strategy Area only and an indication of where future development should be located.

Figure 2B – Environmental considerations heat map

B2 Town Centre

This section investigates the demand, potential locations and opportunity for a supermarket and supporting retail uses within the Strategy Area.

B2.1 Is there a need for a supermarket?

Existing retail development in Fern Bay is limited to a take-away food and drink shop on Nelson Bay Road. While the existing commercial centre at Stockton (7-10 minute drive from Strategy Area) offers a supermarket, residents have indicated that they are more likely to travel to Medowie, Newcastle and Mayfield for their main shop. These centres are approximately 20 minutes by car outside peak hours.

A recent study by Hill PDA found that there is sufficient demand in the Strategy Area to support a retail centre of approximately 6,285m². The Hill PDA Study recommends:

- a new local centre of 4,000–6,500m² (including a large format supermarket of 2,800-3,200m² with complementary specialty floor space) within the Strategy Area;
- that the new centre could leverage from its natural surroundings to increase visitors;
- the resident population within the immediate vicinity of the new local centre should be increased; and
- there may be potential for a mixed-use development (retail and residential) at the new centre given recent housing trends.

B2.2 Where should a supermarket be located?

The Hill PDA study examined 6 sites within the Strategy Area (Figure 7) and ranked the sites from 1 (Very Poor) to 5 (Very Strong) against several assessment criteria that included:

- **Developable Area:** a centre 5,000–6,000m² provided over one level with at grade parking would require approximately 2ha of developable land;

- **Location:** a successful centre must be centrally located for convenient access by a majority of residents of which it serves;
- **Exposure:** retail development benefits from being located in high profile locations such as main arterial roads;
- **Accessibility:** with people becoming increasingly 'time poor' convenience and accessibility increases the attractiveness and visitation of a centre; and
- **Walkable Catchment:** Walkable communities bring significant economic and social benefits including reduced vehicle emissions and petrol costs, improved traffic safety and health benefits. A centre that has a higher residential population within 800m (10min walk) is likely to experience increased pedestrian activity and vitality.

The sites assessed are in single ownership and their developable area offers greater opportunity for major changes in land use than other sites.

There are two sites already zoned for commercial use within the Strategy Area including the take-away food and drink shop (referred to in B2.1) and Site 6 (Figure 7). These sites were found not to be suitable for expanded commercial use as a town centre due to their size or location.

The site ranking process identified Site 1 (in North Stockton Precinct) and Site 2 (in Original Fern Bay Precinct) as the preferred locations for a town centre. Both sites are accessible to residents in the Strategy Area, have large developable areas and contain comparatively few environmental constraints. The town centre's location will be dependent on the intentions of landowners and willingness to accommodate development. Should a Planning Proposal be lodged for either site councils will consult with each other and the State Government in considering the proposal. A masterplan will be needed for either site to determine the appropriate scale, type and mix of development that could occur.

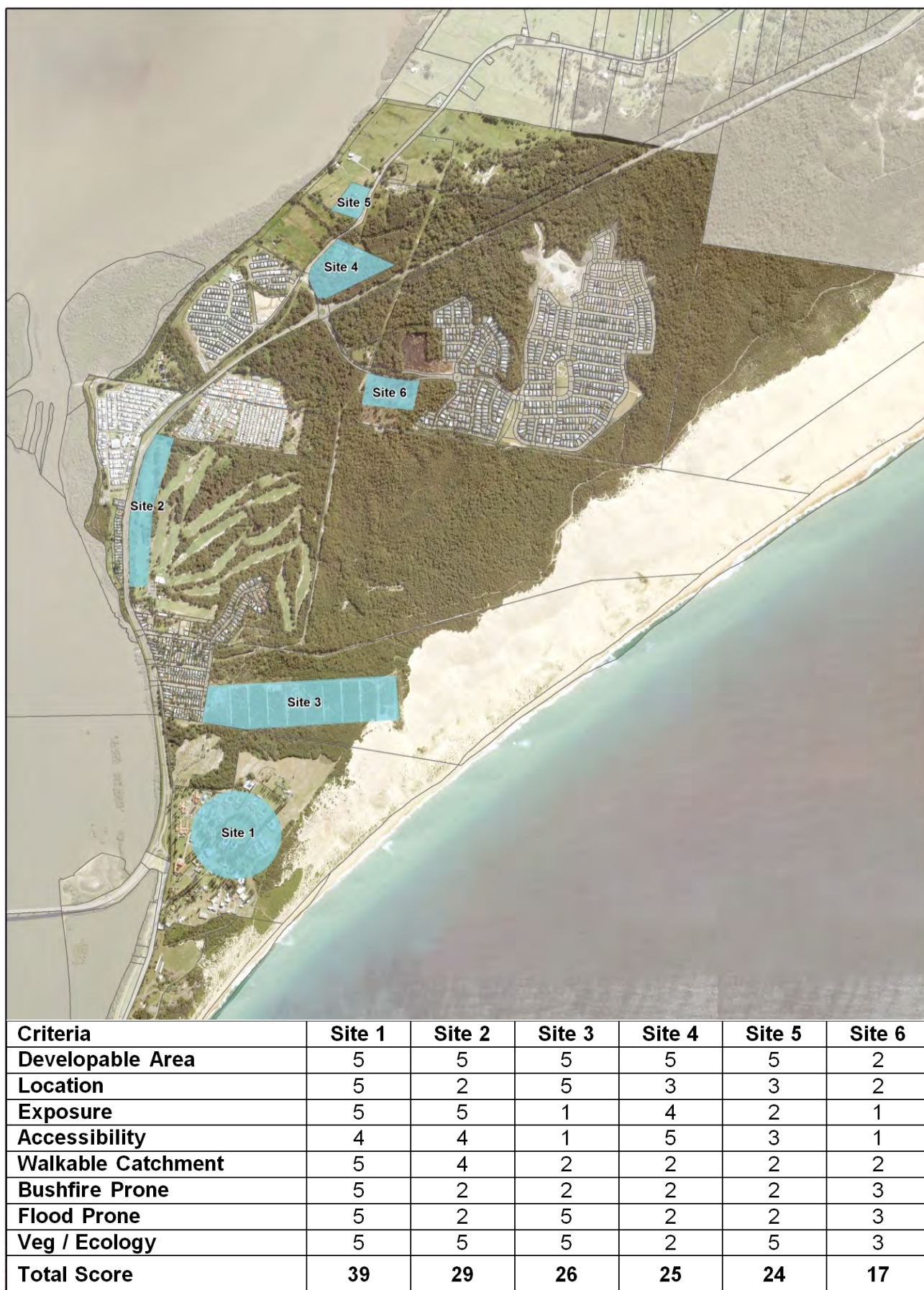


Figure 2C – Potential town centre sites

B2.3 Coexisting with the existing commercial centre at Stockton

The Hunter Regional Plan (DPE, 2016) identifies the importance of utilising existing centres for commercial and retail development to ensure that new centres:

- a. are integrated with existing or planned residential development;
- b. encompass high quality urban design;
- c. consider transport and access requirements; and
- d. do not undermine existing centres.

The Hill PDA study examined the existing commercial centre at Stockton and Figure 8 identifies its strengths and opportunities. Significantly, the existing commercial centre at Stockton is not conveniently located for residents in the north of the Strategy Area and does not meet the needs of current residents in Fern Bay.

The Hill PDA study does identify that a new retail centre may result in a moderately strong or significant impact on trade in the existing Stockton commercial centre, although this impact would lessen overtime with population growth and expenditure in the locality.

Despite the potential impact on the existing commercial centre in Stockton, it is recommended that a new mixed-use town centre be supported to:

- meet the needs of the local (and future) residents in an area which is currently underserved;
- reduce travel demand by providing an improved range of shops and services to reduce the number of journeys made by local residents to surrounding centres. This supports a reduction in vehicle emissions, improves transport safety and can contribute to lower cost of living; and
- increase employment opportunities in the area.

The existing commercial centre at Stockton will continue to provide an important role in supporting the residents and visitors of Stockton by providing a mix of retail and community uses. Although it is not located within the Strategy Area, there are several initiatives that may improve the performance of the Stockton commercial centre, these include:

- Local eat street
- Tourism
- Increase the resident population surrounding the town centre.

STRENGTHS

- Compact and walkable retail core, with flat topography and minimal fall
- Anchor tenant located at the northern end of centre (i.e. entry point)
- Well served by public carparks/street parking
- Proximity to strong amenities (schools, medical services) encouraging dual purpose visits
- Well served by bus services
- Close proximity to natural assets (open space, beaches, leisure centre)
- Proximity to touristic accommodation
- Existence of adaptive reuse opportunities
- Strong projected population growth in the locality

OPPORTUNITIES

- Improve and expand retail offer
- Include a stronger anchor tenant
- Increase residential densities
- Raise the tourism profile of the area
- Implement competitive pricing strategies
- Address reputation and safety/anti-social behaviour concerns surrounding the centre. Potentially through increased surveillance

Figure 2D – Strengths and opportunities - SWOT Analysis: Stockton Local Centre
(Source: Hill PDA, 2017)

B3 Housing

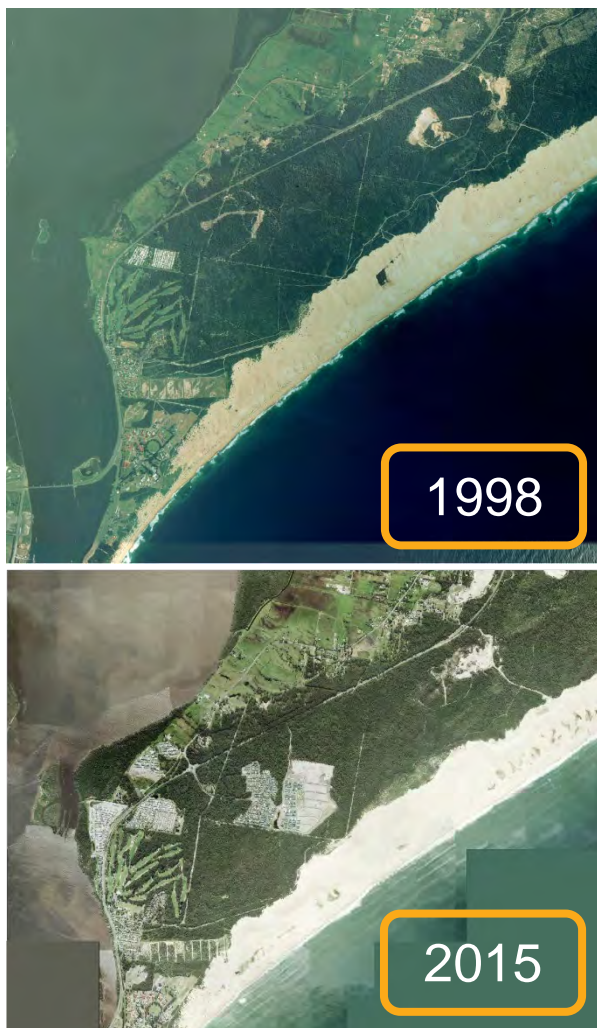


Figure 2E – Images showing growth

B3.1 How has the area grown?

From 2006 to 2016 Fern Bay's population doubled from 1,137 to 2,673 people. This growth has been facilitated by new developments such as the Seaside Estate, Palm Lakes Resort and The Cove Village.

Previously, PSC's vision for Fern Bay was a compact village confined to the existing urban footprint within the Original Fern Bay Precinct (PSC, 2002). The rapid increase in residential development in the area has resulted in development being out of step with the provision of infrastructure.

Fern Bay is a desirable place to live and visit, and is identified as part of the Eastern Growth Corridor (PSC, 2011). The Strategy not only attempts to identify the community infrastructure required to support the local

community but also to ensure that further growth of the Strategy Area occurs in a coordinated way.

The current demographics for each precinct can be summarised as:

Precinct	Demographics
North Stockton	(307 persons at 1.8 persons/ha) Consisting mostly of residents from the care facility aged between 35 and 74 years of age.
Original Fern Bay	(930 persons at 7.08 persons/ha outside Bayway Village and 729 persons at 27.25 persons/ha within Bayway Village) Has the most diverse mix of age groups of any precinct.
Beachfront	(0 persons)
Sports	(0 persons)
Seaside Estate	(1,111 persons at 5.17 persons/ha) Predominately young families with the highest number persons aged 0-14.
Fullerton Cove	(568 persons at 0.31 persons/ha) Predominately people aged over 65 due to The Cove Village.

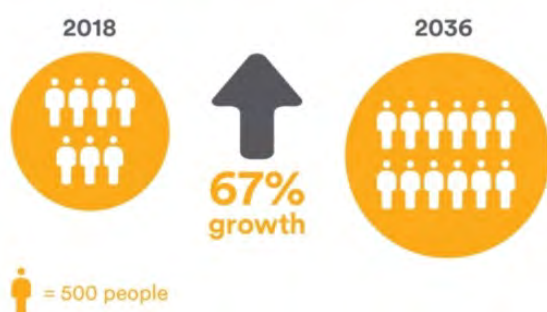
(Source: Remplan, 2018)

B3.2 What does the future population look like?

HOUSEHOLDS
% growth



POPULATION FORECASTS



Note: Assumes 100% of dwelling potential will be constructed. Site specific investigations required.

AGE

	2018	2036
0 - 4	195	257
5 - 19	404	1,001
20 - 34	423	571
35 - 49	558	1,024
50 - 64	828	1,132
65 - 74	765	906
75 - 84	414	752
85+	94	323
Total	3,681	5,966

Figure 2F – Envisaged demographic (Source: Remplan, 2018)

Hill PDA (2017) provided forecasts for Fern Bay, Fullerton Cove and Stockton as part of the Commercial Lands Study. High growth scenario projections predict a population of up to 12,500 people.

It is expected that Stockton (not including North Stockton) will grow from 4,400 up to 5,000 people by 2036. This is consistent with projections forecast by profile.id which expect a population of 4,526 in Stockton by 2041 (profile.id, 2018).

B3.3 Where will future housing occur?

The HRP has set a target of 95% of people living within 30 minutes of a strategic centre. The Strategy Area is within 30 minutes of a

strategic centre (Newcastle Airport) and the following precincts are expected to accommodate housing growth.

Precinct	Estimated dwelling yield
Seaside Estate	133
North Stockton	110 + 750+
Beachfront	300
Original Fern Bay	80
Fullerton Cove	145
Total	1,518

Note: Assumes approximately 750 dwellings can be accommodated with mixed use town centre.

Figure 2G – Anticipated dwellings



Note: Assumes 100% of dwelling potential will be constructed. Site specific investigations required.

Figure 2H – Expected growth (Source: Remplan, 2018)

Future housing within the Strategy Area will predominantly be focused on three key sites, within the North Stockton Precinct and south of the Beachfront Precinct. Housing is to be integrated within and surrounding the mixed-use town centre and adjoining properties. Figure 13 illustrates the diversity of housing that may be provided in the differing precincts. The greatest diversity of housing will be provided in conjunction with the mixed-use town centre. A challenge associated with 'aging in place' within the Strategy Area will be to provide adequate social support services to the community.



Figure 21 – Envisaged housing types

Key Site: Town Centre

Potential Dwellings	Subject to detailed site investigations
Existing Zone	SP2 Infrastructure (Health Services Facility)
Potential Land Uses	Mixed-use town centre (commercial/residential), community and recreation uses. Potential zones and planning controls will be determined through the master planning process. The planning controls will be determined through the master planning process however a dwelling yield of 25 dwellings per hectare is suggested as per the Hill PDA Study. The envisaged potential land uses would allow the existing uses on the site to continue.

Key Site: Rifle Range

Potential Dwellings	Approximately 300
Existing Zone	E2 Environmental Conservation
Potential Land Uses	Low / medium density residential and open space

PSC received a request to amend the LEP to allow a rezoning of the site facilitating residential accommodation with a mix of housing types. The site is largely disturbed and is considered appropriate for residential development. The limited opportunity for growth in the Strategy Area reinforces the importance of housing at the Rifle Range. Vehicle and shared (bicycle and pedestrian) connections between the Rifle Range and the future town centre must be demonstrated with any proposal. Potential zones and planning controls will be determined through the master planning process.

Key Site: Fort Wallace

Potential Dwellings	Approximately 110
Existing Zone	SP2 Infrastructure (Defence)
Potential Land Uses	Low density residential and open space

In March 2019, CN adopted a planning proposal to rezone Fort Wallace to allow a mix of housing types. The proposal focuses development on lands already disturbed and of a coastal character. The bulk and scale proposed will protect important views to heritage features and the coastline. This has been forwarded to DPE for finalising.

Infill Development

Infill housing may be provided within the Original Fern Bay Precinct. The Port Stephens Planning Strategy (2011) identifies an opportunity for 42 infill dwellings. It is expected that any additional dwellings will mostly be provided in the form of secondary dwellings. Potential for up to 60 infill dwellings has been investigated within Original Fern Bay subject to detailed site investigations.

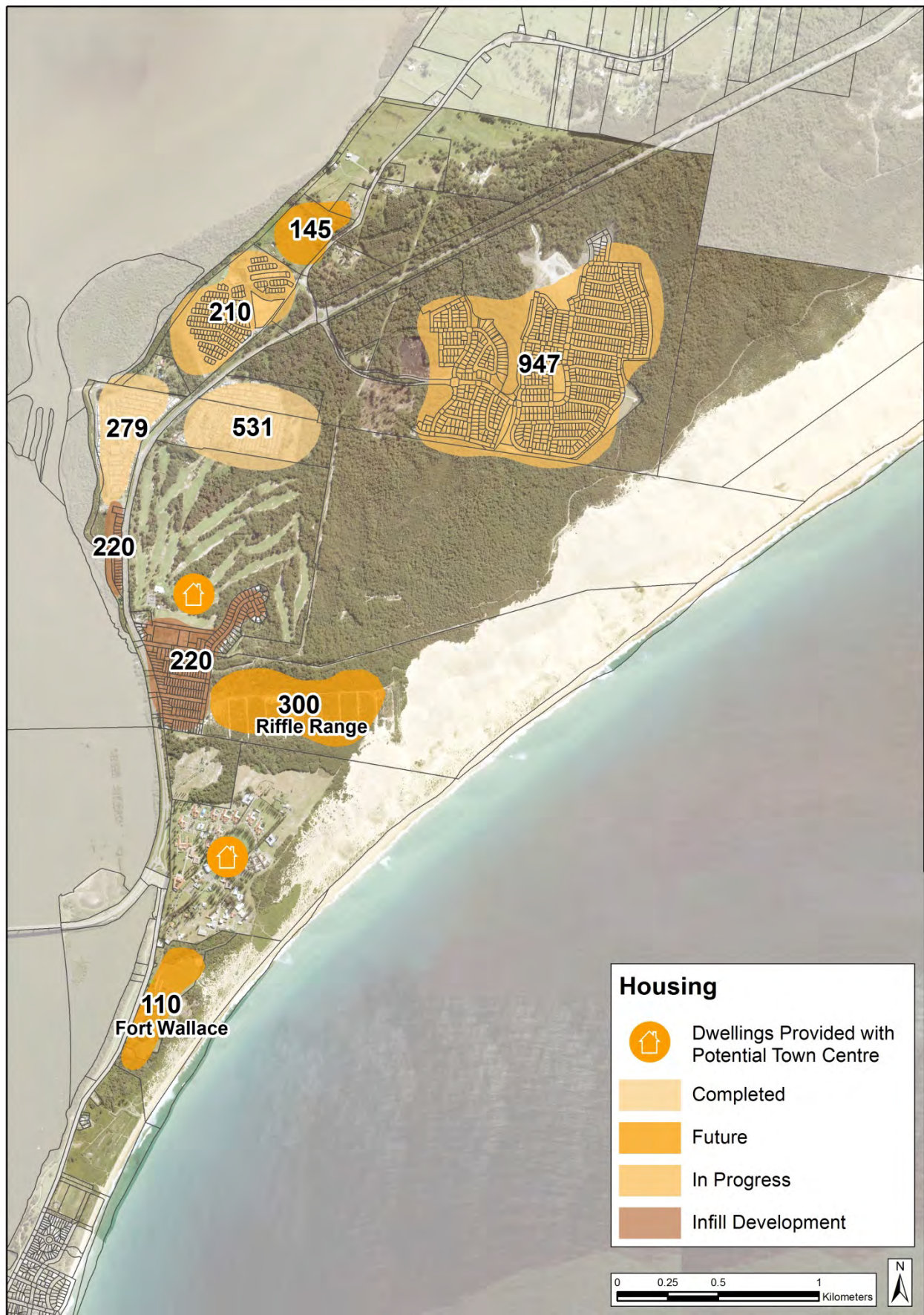


Figure 2J – Estimated growth

B4 Open Space and Community Facilities

This section investigates the provision of open space and community facilities.

B4.1 What are the existing open spaces and community facilities?

Figure 2K – Standards for open space and facilities		District ¹		Plan provision
Item	Standard	Required ²	Currently provided	
Community Services				
Community Multipurpose Facility	600-1,000 m ²	600-1,000 m ²	165 m ²	1
Cultural Services and Leisure Facilities				
Library	42m ² per 1,000 people	504 m ²	157 m ²	1
Recreational Facilities				
Surf Lifesaving Clubs	1 facility per 30,000 people	-	1	-
	1 boat ramp per 6,000 people	2	3	-
Parkland	District 1 per 15, 000 - 25, 000 people	-	1	-
	Local 0.4 ha of local park per 1,000 people	4.8 ha	7.5 ha	4.4 ha
Public Toilets (Strat Area only)	1 per 2,000 people	3	2 toilet blocks	2
Sports Facilities				
Multipurpose Courts	2 courts per 10,000 people	2	0	-
Skate / BMX	1 per 10, 000 - 15, 000 people	1	2	-
Soccer fields	1 sports ground (comprising two playing fields per 5,000 people)	4	2	4
Sports fields (local)	0.4 ha per 1,000 people	4.8 ha	5 ha	-
Tennis Courts	2 courts per 10,000 people	2	7	-
Playgrounds (Strat Area only)	1 per 1,500 people	4	4	-
Dog exercise area	1 per 5, 000 - 10, 000 people	1	1	1
Sources: AEC, 2013 and CN Parkland & Recreation Plan		KEY		
		Oversupply – no action		
		Meets standard – monitor over time		
		Undersupply – requires action		
		City of Newcastle Standard		

Terms used in this Section

active recreation area means an area used for structured recreational activities which require specialised parkland development and management (e.g. sports fields, playgrounds, golf courses, gymnasiums etc.)

district park means a park area of substantial size, well developed, offering a broad range of quality recreation opportunities i.e. quality landscaping, signage, playground for a variety of ages, seating, shade, paths, toilets, BBQ facilities and lighting. Not necessarily within walking distance. Generally regular in shape, preferably not less than 50m wide.

local park means defined spaces primarily serving a local population. Positioned in a visible location for safety. Ideally 5-10m walk of majority of households. May support community gardens and/or off leash dog areas.

passive recreation area means an undeveloped area, including an environmentally sensitive area, which requires minimal development or management and is used for less structured recreational activities (e.g. walking, jogging, fishing,

¹ Includes Fern Bay, Fullerton Cove and Stockton to ensure an equitable distribution along the peninsula.

² To meet standards under the high growth scenario (12,220 people within the District Area by 2031) (HillPDA, 2017).

B4.2 What is the condition of open spaces and community facilities?

There is a diverse range of active and passive open space areas within the Strategy Area. Passive open spaces are mostly provided within the Worimi Conservation lands, Hunter Wetlands, Stockton Beach and along the Hunter River Foreshore. There are opportunities to improve access to these open space areas, particularly Stockton Beach and encourage recreation activities, such as walking, hiking and fishing. Sections of the beach have been inaccessible to the public due to fragmented public/private ownership. Continuous public access beachfront from Stockton through to the WCL would benefit the local and community and general public.

Palm Lakes Resort, The Cove Village and Bayway Village include open space areas and facilities for their residents; these spaces are not open to the public.

Corroba Oval (2.8 ha in Sports Precinct) is centrally located along the peninsula in Stockton, servicing both the Fern Bay and Stockton community. Corroba Oval provides the hard surface playing courts within the Strategy Area which are not easily accessible for Fern Bay residents and could be better adapted for multiple purposes. Survey responses from the community indicate a desire to:

- increase the number of soccer fields;
- improve the parking area;
- prioritise safe pedestrian movements;
- improve the amenity of the club house, seating and toilets; and
- upgrade the netball courts to be co-located with other sporting uses.

Fern Bay Community Centre and Reserve (0.7 ha in Original Fern Bay Precinct) has recently been upgraded to form a central community and recreational hub for the public; however there is limited room for expansion and it is unlikely this facility will be able to cater for the predicted growth in the Strategy Area.

Amenities and toilet block provided at Corroba Oval require upgrading. Further investigation is required to determine requirement for extra provision of toilet block within the Strategy Area.

Seaside Estate open space areas, including six parks, are owned and managed under a Community Title Scheme. Residents have indicated a need for additional high quality community infrastructure, embellishment and amenities.

Child care services, including long day care, outside of school hours and preschool services are lacking within the District Area (GHD, 2017).

Library services may be improved. PSC operates a mobile library service from Fern Bay Community Centre every fortnight. The service is restricted from visiting most residential areas due to vehicle access and manoeuvrability constraints. The Stockton Library, operated by CN, is open two full days and two half days per week; however, is comparatively small (157m²) in size. Although located outside the Strategy Area the library serves Fern Bay residents. A review of standard provisions and community responses indicates that the footprint and function of the library is inadequate to service the existing and evolving needs of the community.

B4.3 What are the opportunities for new open space and community facilities?

Community Hub

The nature of libraries is changing to form hub like spaces, with a growing focus on community activities that support lifelong learning and digital access to information. A library is an essential service for community wellbeing and cohesion. Co-locating a library with related and supporting uses (such as internal and external meeting spaces for youth, art and cultural activities and events) combined with good quality amenities will establish a community hub to exchange

information and support the evolving community.

The incorporation of a community hub with the proposed town centre will contribute to the centre's viability and promote a strong sense of community.

Additional Open Space areas may be provided through the redevelopment of the Fort Wallace (North Stockton Precinct) and Rifle Range (Beachfront Precinct) sites where the following is proposed:

- Fort Wallace – gathering and event space, adaptively reused heritage buildings, sport lawn and picnic area, playground, community space and walking trails.
- Rifle Range – open lawn and field area, playground, picnic and shelters.

Subject to consideration by Council, these facilities may be shared by the public.

A range of suggestions have been received from the community. Council's limited capacity to provide additional infrastructure within existing open space areas will require further consideration of the suggestions in planning for new open space areas with new developments (e.g. Rifle Range, Fort Wallace and Town Centre). Suggestions for consideration will include (but are not limited to):

- **Community / Men's Shed** with public access to support the health and wellbeing of men and women;
- **Off-Leash Dog Area** as currently none exist in the Strategy Area;
- **Seating, picnic facilities and rubbish bins and toilets** to improve the appeal and usability of open space areas;
- **Shade trees and landscaping** to promote an urban tree canopy and increase the usability of open space during summer; and
Skate Park to cater for the increasing number of adolescent children within the Strategy Area.

Note: A district skate park and playground will be built in Griffith Park in Stockton. The park is likely to attract local residents and visitors to the area. A local skate park should be considered within the Seaside Estate Precinct to meet the needs of Fern Bay residents.

B5 Transport

A traffic and transport study (Seca, 2018) has been undertaken to:

- assess the capacity of the existing road network to support new urban development and population growth;
- ensure the function of Nelson Bay Road as a regional connection is maintained; and
- investigate opportunities to prioritise active transport and improved safety.

B5.1 Active Transport (Walking/Cycling)

The Strategy Area is car dependent and offers few destinations within a walkable distance (400-800 metres) of residential areas. The future mixed-use town centre offers an opportunity to better connect residents to services and each other. The benefits of active transport in people's lives include:

- more exercise;
- reduced pollution;
- more opportunities for interaction; and
- reduced road congestion and cost.

The Strategy Area can benefit from higher levels of walking and cycling by providing:

- an interconnected path network enabling greater alternative choices of travel routes and methods to destinations;
- safe street crossings; and
- increased residential densities surrounding destinations.

B5.2 Public Transport

Bus The Strategy Area is serviced by Hunter Valley Buses and Port Stephens Coaches in addition to a school bus service. Bus services connect residents to Newcastle City, Newcastle Airport and Stockton.

Ferry A 10 minute ferry service is available from the Stockton peninsular to Newcastle (Queen Street Wharf). The Draft Regional NSW Services and Infrastructure Plan (Transport for NSW, 2017) lists new ferry stops in Newcastle as an "initiative for

investigation". The timing for investigation and delivery of these proposed stops is unknown. Cycling facilities may be appropriate at the Ferry Terminal. The provision of an end of trip facility which allows for both e-bikes (with charging area) and regular bicycles may encourage additional Ferry patronage and less vehicular movements.

B5.3 Roads and Private Vehicles Nelson Bay Road provides a major connection between Nelson Bay to the north and Kooragang to the south. It forms part of the regional road network and carries a high volume of traffic between Newcastle and the Port Stephens LGA, including Newcastle Airport / Williamstown RAAF base. Within the Strategy Area the road varies between a dual and single lane carriageway. Nelson Bay Road should provide dual carriageways in each direction as well as provision for public transit whilst ensuring additional connections onto the corridor are limited. A concept design for the future duplication of Nelson Bay Road is provided in Figure 2L.

North of Stockton Bridge, Nelson Bay Road connects with Fullerton Street. This intersection provides the only vehicle access into and out of Stockton.

Traffic surveys and modelling indicate the intersection of Vardon Road and Nelson Bay Road is heavily used, particularly the right hand turn out of Vardon Road. Providing traffic signals at this intersection would accommodate future growth projections, support vehicle movements to/from Fern Bay Public School and Newcastle Golf Course and provide improved pedestrian connectivity for existing residents on the western side of Nelson Bay Road travelling south.

Parking A parking survey was undertaken around the Stockton foreshore to understand parking requirements. The Council carpark is well utilised with overflow parking occurring in surrounding streets and the Stockton Foreshore.

CN is investigating the feasibility of expanding the car park at Stockton Ferry Terminal to cater for additional commuters. A concept plan under design would see the total number of

parking spaces at the terminal increase from 120 to more than 250 by extending the existing car park to the east.

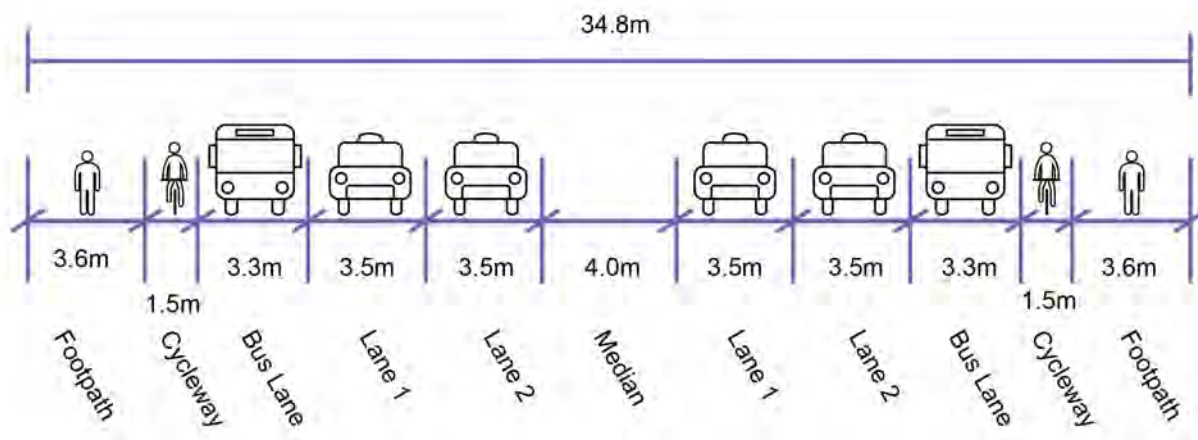


Figure 2L – Nelson Bay Road Future Cross Section

B6 Infrastructure

This section describes how the need of essential infrastructure may be met.

Gas

Jemena have confirmed that gas mains are located within the vicinity of the proposed growth areas and these mains have adequate capacity to serve expected growth. Further consultation at master planning stage is recommended.

Telecommunications

The North Stockton Precinct falls within an active NBN area and any development within this precinct, including the potential mixed-use town centre, will be connected to the network.

Water and Sewer

The Rifle Range and Fort Wallace sites are included in Hunter Water's Growth Plan. Water to service the mixed-use town centre is not included in the growth plan and requires further consultation at master planning stage.

No regional upgrades are required to the water system as there is surplus existing capacity. In terms of waste water, should it exceed

capacity, Hunter Water would connect initial stages and undertake a risk assessment to determine if system upgrades are required.

Through Site links

Shared "through site" links proposed as part of this Plan are to be made publicly accessible. If these are logically associated with a particular proposal, access will have to be negotiated with the relevant land owner.

Local Infrastructure Contributions

It is likely some of the community infrastructure proposed in this Plan will be funded from Local Infrastructure Contributions. The relevant Local Infrastructure Contribution Plans will be reviewed to incorporate the outcomes of this Plan. Further detail is provided in the Implementation Plan (**Attachment 1**)

Infrastructure is to be integrated into the planning, design and construction phases of development. The Strategy supports an intensity and more diverse range of land uses and commits to ensuring new sites are well serviced. The Beachfront Precinct must be accompanied by the appropriate level of supporting infrastructure to result in a high level of amenity.

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**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
SUPPLEMENTARY REPORT - EXHIBITION OF DRAFT FERN BAY
AND NORTH STOCKTON STRATEGY**

Item 76 Attachment D: Original Council Report of 28 May 2019

SUBJECT: CCL 28/05/19 - EXHIBITION OF THE DRAFT FERN BAY AND NORTH STOCKTON STRATEGY

REPORT BY: GOVERNANCE
CONTACT: DIRECTOR GOVERNANCE / MANAGER REGULATORY, PLANNING AND ASSESSMENT

PURPOSE

To seek Council endorsement to place the Draft Fern Bay and North Stockton Strategy on public exhibition for a period of 28 days.

RECOMMENDATION

That Council:

- 1 Places the Draft Fern Bay and North Stockton Strategy (**Attachment A**), Implementation Plan (**Attachment B**) and Background Investigations (**Attachment C**) on public exhibition for a period of 28 days.
- 2 Receives a report back to Council following the public exhibition period.

KEY ISSUES

- 3 City of Newcastle (CN) and Port Stephens Council (PSC) identified the need to prepare the Draft Fern Bay and North Stockton Strategy (the Draft Strategy) to guide development in Fern Bay and North Stockton for the next 20 years. There are a number of large land holdings within North Stockton and south of Fern Bay that have potential to create positive outcomes for the community in their redevelopment.
- 4 The Draft Strategy area includes land within CN (North Stockton) and PSC (Fern Bay and Fullerton Cove) Local Government Areas (LGAs). The Draft Strategy does not include the established Stockton neighbourhood, south of Corroba Oval. Land further north of Fern Bay has also not been included in the Draft Strategy due to known environmental constraints limiting development potential. Figure 1 in Attachment A defines the strategy area.
- 5 CN and PSC have worked collaboratively to develop the Draft Strategy (Attachment A) with early input from the community and relevant organisations to plan for coordinated and sustainable growth. Both Councils will be unable to deliver this Draft Strategy alone and will require cooperation and assistance across all levels of Government. Roles for each Council, agencies and other organisations have been outlined in the supporting Implementation Plan (Attachment B).
- 6 The Draft Strategy seeks to identify opportunities for Fern Bay and North Stockton to create a pedestrian focused place for people, which offers housing diversity, a mixed-use town centre, connected open spaces and community facilities.

- 7 To achieve this vision the Draft Strategy is guided by the following goals:
- i) **Environment** – protect the treasured and unique Stockton Bight for future generations and attract responsible heritage and nature-based tourism.
 - ii) **Town Centre** – establish a conveniently located mixed-use town centre connected by technology, transport, housing and great public places.
 - iii) **Housing** – grow a resilient coastal community with access to liveable and diverse housing.
 - iv) **Open Space and Community Facilities** – improve access to useable open spaces and well-designed community facilities to support daily activity and healthy lifestyles.
 - v) **Transport** – prioritise safe and convenient travel by walking, cycling and use of public transport while maintaining regional journeys on Nelson Bay Road.
- 8 CN and PSC have received planning proposals for the redevelopment of the Fort Wallace (CN) and rifle range sites (PSC). An additional 400 dwellings within the Draft Strategy area are proposed in total for both sites. The Fort Wallace Planning Proposal has been forwarded to the Department of Planning and Environment (DPE).
- 9 Fern Bay has continued to experience rapid population growth over the last 15 years. Further growth is expected at the Seaside Estate development (in PSC LGA). Fern Bay has developed from a small village to a larger community incorporating a number of large disconnected residential developments. This has resulted in the creation of an urban population where a semi-rural village centre had been. As a result, these additional residents are expected to increase demand for essential community services and transport infrastructure.
- 10 A further understanding of anticipated population growth has guided the Draft Strategy. Hill PDA (2017) (independent consultant) provided forecasts for Fern Bay, Fullerton Cove and Stockton as part of a Commercial Lands Analysis. A summary of this information is provided in the Background Investigations report (Attachment C). High growth scenario projections predict a population of up to 12,500 people for this area. It is expected that Stockton (not including North Stockton) will grow from 4,400 up to 5,000 people by 2036. This is consistent with projections forecast by profile.id which expect a population of 4,526 in Stockton by 2041 (profile.id, 2018).
- 11 During the early engagement phase with the community, feedback indicated a community priority for a new supermarket and supporting retail uses within the Draft Strategy area. A majority of residents indicated that they travel approximately 20 minutes by car outside of peak hours to do their main shopping. A Commercial Lands Analysis was undertaken by an independent consultant, Hill PDA, to investigate whether there was a demand, potential

locations and opportunity for a supermarket within the Draft Strategy area. The study found that there is sufficient demand in the Draft Strategy area to support a retail centre up to 6,500m² in size.

- 12 The Hill PDA study examined six potential commercial sites within the Draft Strategy area. These sites were ranked from one (very poor) to five (very strong) against several assessment criteria that included:
 - i) developable area
 - ii) location
 - iii) exposure
 - iv) accessibility and
 - v) walkable catchment.
- 13 There are six precincts that make up the Draft Strategy area. These include: North Stockton, Original Fern Bay, Beachfront, Sports, Seaside Estate and Fullerton Cove. The site ranking process identified Site 1 (in North Stockton Precinct) and Site 2 (in Original Fern Bay Precinct) as the preferred locations for a new town / commercial centre. Both sites are accessible to residents in the Draft Strategy area, have large developable areas and contain comparatively few environmental constraints. The town / commercial centre's location will be dependent on the intentions of landowners and willingness to accommodate development. Housing is recommended to be integrated within and surrounding the mixed-use town centre and adjoining properties.
- 14 Should a planning proposal be lodged for either site both Councils will consult with each other and the State Government in considering the proposal. A masterplan will be needed for either site to determine the appropriate scale, type and mix of development that could occur.
- 15 Further evidence-based planning was undertaken to understand the current traffic and transport situation and strategically plan for the transport network. Nelson Bay Road is a classified road. There have been discussions with Roads and Maritime Services (RMS) prior to developing the Draft Strategy with individual proposals and it became evident to limit intersections within the Draft Strategy area and ensure efficient and safe travel to Williamstown and other destinations further north. An independent consultant was engaged to prepare a Traffic and Transport Study. The recommendations of the Study have been incorporated into the Draft Strategy. One signalised intersection was proposed for the Draft Strategy area at the intersection of Vardon Road. This was considered a good location near the school, community facility, park, takeaway shop, existing and expected growth.
- 16 Furthermore, due to the location of existing development and geography of the Draft Strategy area, the area has become car dependent and offers few destinations within a walkable distance of residential areas. The Traffic and Transport Study prepared to inform the Draft Strategy has recommended a number of active transport options to better connect the Stockton Bight while ensuring the function of Nelson Bay Road as a regional connection is maintained. The future mixed-use town centre also offers an opportunity to better connect residents to services and each other. A summary of traffic and

transport recommendations is contained within the Draft Strategy and detailed in the Background Investigations report. The Implementation Plan contains specific actions from the Study such as required upgrades to the transport network, paths, road widening and bus stops.

- 17 There are opportunities to improve access to open spaces and recreational facilities within the Draft Strategy area to encourage activity and support healthy lifestyles such as formalising the existing Ausgrid easement into a defined walking trail along the Worimi Conservation Land and linking residential areas with open spaces, including the beach. During the early engagement phase, the community expressed a desire to improve the facilities (kiosk / toilet block / seating) and sporting offerings at Corroba Oval to allow for additional soccer fields and multiple sports with safer access to the grounds. In addition, the community expressed a need for an improved library facility and supporting services. An assessment of the provision of existing and required open spaces and community facilities was undertaken and is detailed in the Background Investigations. While it is a numerical approach, it flags that a larger community multipurpose facility / library is required to support the growing community, improved toilet facilities and multipurpose courts were required (rather than only supporting a specific sport). The Draft Strategy recommends improved access and overall better connections to these open spaces.

FINANCIAL IMPACT

- 18 Implementation of the Draft Strategy will require a number of actions to be undertaken over the immediate, short and longer terms. Programming of infrastructure works will be undertaken as funding is available and as per the Implementation Plan.

COMMUNITY STRATEGIC PLAN ALIGNMENT

- 19 The Draft Strategy aligns with the following community and CN priorities as highlighted in the Community Strategic Plan:

Integrated and Assessable Transport

- 1.1a Support implementation of the regional transport strategy.
- 1.1b Advocate for public transport improvements.
- 1.1c Plan and deliver accessible local infrastructure improvements for public transport.
- 1.2a Continue to upgrade, extend and promote cycle and pedestrian networks.
- 1.3a Ensure safe road networks through effective planning and maintenance.

Protected Environment

- 2.2a Provide and advocate for protection and rehabilitation of natural areas.

Vibrant, Safe and Active Public Places

- 3.1a Provide quality parkland and recreation facilities that are diverse, accessible and responsive to changing needs.
- 3.1b Enhance our beaches and coastal areas through upgraded facilities.
- 3.2a Celebrate Newcastle's cultural heritage and diversity.

Inclusive Community

- 4.1a Acknowledge and respect First Nations peoples.
- 4.1b Support initiatives and facilities that encourage social inclusion and community connections.
- 4.1c Improve, promote and facilitate equitable access to services and facilities.
- 4.2a Ensure people of all abilities can enjoy our public places and spaces.
- 4.2b Improve access to formal and informal lifelong learning opportunities, facilities and services.

Liveable Built Environment

- 5.1a Protect and promote our unique built and cultural heritage.
- 5.1b Ensure our suburbs are preserved, enhanced and promoted, while also creating opportunities for growth.
- 5.2a Plan for concentrated growth around transport and activity nodes.
- 5.2b Plan for an urban environment that promotes active and healthy communities.
- 5.3a Ensure sufficient housing diversity to meet community needs, including affordable living and adaptable housing options.
- 5.4b Plan, provide and manage infrastructure that continues to meet community needs.

Smart and Innovative

- 6.1b Attract new business and employment opportunities.
- 6.3a Facilitate events that attract visitors and support the local economy and the vibrancy of Newcastle.

- 6.3b Work with the tourism sector to further develop Newcastle as a visitor and event destination.
- 6.3c Work with businesses, planners and government at all levels to facilitate key infrastructure to support business growth.

Open and Collaborative Leadership

- 7.1a Encourage and support long term planning for Newcastle, including implementation, resourcing, monitoring and reporting.
- 7.2c Establish collaborative relationships and advocate for local needs with all stakeholders.
- 7.3a Provide opportunities for genuine engagement with the community to inform Council's decision-making.
- 7.3b Provide clear, consistent, accessible and relevant information to the community.
- 7.4a Continuous improvement in services delivery based on accountability, transparency and good governance.
- 7.4b Provide services that deliver on sustainable community service expectations.

IMPLEMENTATION PLAN/IMPLICATIONS

- 20 The Draft Strategy includes an Implementation Plan which contains a priority of actions over the short and longer period. CN and PSC will monitor and review the Strategy and report annually to each respective Council on the implementation of its outcomes. The Strategy will be reviewed every five years, or as necessary.

RISK ASSESSMENT AND MITIGATION

- 21 No significant risks are associated with the recommendation to place the Draft Strategy on exhibition. The Draft Strategy proposes a range of actions guided by the community priorities, strategic assessments and technical studies to inform an evidence-based plan.

RELATED PREVIOUS DECISIONS

- 22 Nil.

CONSULTATION

- 23 The Draft Strategy has been guided by the community via comments received on an interactive online map, survey and two separate drop-in sessions in September 2017. The themes identified as priorities are: environment; housing and people; town centre; open space and community facilities; and transport.

The goals for each of these focus areas reflect the aspirations derived from the community during the consultation. The community aspirations also act as strategic directions for planning and decision making that will help achieve the goals for each focus area. Further consultation will now occur with public exhibition of the Draft Strategy. PSC are also proposing to place the Draft Strategy on exhibition at a similar time.

OPTIONS

Option 1

- 24 The recommendation as at paragraphs 1 and 2. This is the recommended option.

Option 2

- 25 Council not proceed with public exhibition of the Draft Fern Bay and North Stockton Strategy. This is not the recommended option.

BACKGROUND

- 26 In 2017, CN and PSC worked together to prepare a joint planning strategy for North Stockton and Fern Bay. Early community engagement occurred and a number of investigations were undertaken to guide the Draft Strategy. It is anticipated that the DPE will endorse the Strategy, which will ensure that the Strategy will be used to demonstrate the strategic merit of future planning proposals.

ATTACHMENTS

- Attachment A:** Draft Fern Bay and North Stockton Strategy
- Attachment B:** Implementation Plan
- Attachment C:** Background Investigations

Attachments A, B and C distributed under separate cover.

**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
ADOPTION OF COMMUNITY PARTICIPATION PLAN**

Item 77 Attachment A: Community Participation Plan

<p>DISTRIBUTED UNDER SEPARATE COVER</p>
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Community Participation Plan

2019



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City of
Newcastle

Acknowledgment

City of Newcastle acknowledges that we are meeting on the traditional country of the Awabakal and Worimi peoples.

We recognise and respect their cultural heritage, beliefs and continuing relationship with the land, and that they are the proud survivors of more than two hundred years of dispossession.

Council reiterates its commitment to address disadvantages and attain justice for Aboriginal and Torres Strait Islander peoples of this community.

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This Community Participation Plan has been prepared in accordance with Sections 2.21(2), 2.23(2) and Schedule 1 of the Environmental Planning & Assessment Act 1979.



Shaping positive change

It is the intent of the City of Newcastle (CN) to engage with the community, using effective engagement practices, on development and plans affecting the future of the city and activities that have significant impact on the community.

The Newcastle 2030 Community Strategic Plan (CSP) 2018–2028 identifies, “Open and Collaborative Leadership: a strong local democracy with an actively engaged community and effective partnerships”, as one of its strategic directions. Within this strategic direction are strategies to:

provide opportunities for genuine engagement with the community to inform the elected Council’s decision-making; and

provide clear, consistent, accessible and relevant information to the community.

City of Newcastle recognises the value to be gained by engaging with the community beyond the statutory requirements.

1.0

Community participation in the planning system

Community participation refers to the level or degree to which the community is involved in planning and decision making. The Community Participation Plan (The Plan) covers how and when City of Newcastle (CN) will engage with the community across the planning functions it performs under the Environmental Planning and Assessment Act 1979 (EP&A Act 1979). Planning functions include plan making (such as the preparation of a planning proposal to amend the Newcastle Local Environmental Plan 2012) and making decisions on proposed development.

The level and extent of community participation will vary depending on the community, the nature of the proposal under consideration and potential impacts of the decision. The community includes anyone who is affected by planning in CN.

Recent legislative changes, under the EP&A Act 1979 are intended to enhance opportunities for the community to participate in planning decisions to achieve better planning outcomes. In doing so, The Plan intends to make it easier to be involved and supports:

input into the Council's decision-making by providing mechanisms for understanding and responding to community opinions and perspectives;

consistent and clear engagement practices; and

enhancement of CN's ability to listen, respond and engage with residents and stakeholders and make evidence-based decisions.

1.1

What is our Community Participation Plan?

The Plan contains principles to guide our approach to engagement and sets out minimum public exhibition timeframes (including notification of development applications) as provided under the EP&A Act 1979. **Table 1** lists the planning functions that the Community Participation Plan apply to.



Table 1: What planning functions does the community participation plan apply to?

Plan making and strategic planning	<p>Strategic planning is an essential aspect of our work where we set the strategic direction, vision and context for planning in CN. It involves planning with our community and integrates social, environmental and economic factors with an area's special attributes. Examples of this work include amendments to or the creation of strategic planning statements or strategies, planning proposals to amend the local environmental plan, updates to the development control plan, local infrastructure contribution plan and planning for catalyst or growth areas.</p>
Development Applications – assessing plans for individual sites.	<p>When making decisions on a proposed development or planning enquiry/proposal, consideration is given to whether proposals are in accordance with strategic priorities including those contained within strategic plans prepared by the DPIE or CN, applicable policies and guidelines.</p>

1.2

Who does this community participation plan apply to?

The Plan is a requirement of the EP&A Act 1979 (see division 2.6 and Schedule 1) and applies to the exercise of planning functions undertaken by CN.

2.0

How can the community participate in the planning system?

2.1

Our community participation objectives

Table 2 lists our community participation objectives and the actions we will take to deliver the objectives. It also provides descriptions of our current practice. The objectives have been developed having regard to the community participation principles set out in Section 2.23(2) of the EP&A Act 1979 (see **Appendix A** for extract) and CN Community Engagement Policy, 2018.

These objectives will be supported by measurable actions that we will use to:

further develop specific community participation/engagement/consultation strategies

embed best practice community participation at CN

evaluate the effectiveness of our community participation.

Table 2: Community participation objectives

Objectives	Actions	Examples
Community participation is inclusive	Conduct community engagement opportunities in a safe environment.	Community participation opportunities are promoted widely through a variety of channels including email, social media, press releases, digital and print advertisements, editorial features and our website.
	Ensure information is accessible and seek input from groups who may find it difficult to participate in standard engagement activities.	Printed copies of planning proposals, strategies and draft DCPs are available for viewing at the City library (and in some cases the local library) and CN's Civic Administration Centre. Printed copies of exhibition material for individuals are made available upon request.
	Where possible, increase inclusion through diverse communication and engagement initiatives to support people with disability to participate.	
	Prepare information for the community that is relevant, concise, written in plain language and easy to understand.	Auslan Interpreters attend engagement activities where appropriate or at the request of participants. Other communication tools such as easy read documents, which increase access to people with diverse communication requirements will be investigated for identified projects.
	Use best practice engagement methods and techniques.	

Table 2: Community participation objectives

Objectives	Actions	Examples
Community participation is committed, genuine and accountable	Genuine and proper consideration is given to community input.	Planning teams have a presence at community engagement activities where appropriate.
	Regularly review the effectiveness of community engagement.	We undertake evaluation surveys as appropriate and seek feedback from attendees at community sessions.
	Integrate community input into the evaluation process.	Through community engagement we can understand community concerns and preferred project outcomes.
	Build strong partnerships with the community.	
	Encourage community participation by:	We use a range of technology such as 3D models and interactive maps to make it easier to visualise how a plan or project will look and what it will mean for a local community.
	<ul style="list-style-type: none"> • keeping the community informed • promoting participation opportunities - seeking community input. 	We use a variety of digital engagement tools, as well as face to face engagement activities to capture community feedback in a diversity of ways.
	Ensure community engagement accurately captures the relevant views of the community.	We feed back to the community results from initial consultations for input to further refine plans.
	Clearly establish the purpose for engagement and tailor engagement activities to match the:	
	<ul style="list-style-type: none"> • context (e.g. location; type of application; stage of the assessment process; previous engagement undertaken) • scale and nature of the proposal and its impacts • level of community interest • community's preferences about how they would like to participate. 	
	Adjust engagement activities (if necessary) in response to community input.	
	Comply with any statutory obligations.	
	Protect privacy and respect confidentiality.	

Table 2: Community participation objectives

Objectives	Actions	Examples
Community participation is easy, relevant and transparent	<p>Clearly set out the purpose of any engagement and how and when the community can participate.</p> <p>Conversations should be clear on the purpose including what is and is not negotiable.</p> <p>Use visual representations to make it easier to understand the possible impacts of a proposal.</p> <p>Explain how community input was taken into consideration and ensure the response to community input is relevant and proportionate.</p>	<p>Community participation opportunities are advertised through channels including email, social media, press releases, advertisements, editorial features and our website.</p> <p>Specify circumstances when notification of development applications is not required.</p> <p>We track planning proposals and development applications on our website.</p> <p>The community will be provided with the reasons for planning decisions, including how community views have been taken into account.</p>
Community participation is timely and responsive	<p>Start community engagement as early as possible and continue this engagement for an appropriate period.</p> <p>Keep accurate records of engagement activities and community input.</p> <p>Ensure the community has reasonable time to provide input.</p>	<p>Proponents for major developments should consult members of the community affected by the proposal before an application for planning approval is made.</p> <p>We target information sessions and surveys to specific audiences using relevant media.</p> <p>Consultation reports are distributed to community members who participated in the process or signed up for updates, as well as other channels such as our website, social and mainstream media.</p> <p>Our plans, planning proposals or the proposed development may change in response to community feedback.</p> <p>Following determination of a development application or finalising a planning proposal or strategy, all persons who made submissions will be advised in writing of the decision.</p>

2.2

Our approach to community participation

CN recognises and abides by best practice principles developed by the International Association for Public Participation (IAP2). The IAP2 Public Participation Spectrum is a useful tool to help identify and select the appropriate level of public participation, select methods of engagement, and identify a range of tools. The model is values based, decision-oriented and goal-driven.

The Public Participation Spectrum has different levels of participation and the Plan does not prescribe exactly how the community will be

engaged for every project or development application. The most appropriate engagement approach will depend on the nature and type of planning project or development application.

CN will consult with the community and keep the community informed of planning matters and applications as required by The Plan. CN will consider submissions received during formal exhibition periods and advise the community of the final decision. In the preparation of planning strategies, CN will involve the community in shaping final decisions.



3.0

What is the role of exhibitions in the planning system?

Opportunities to participate in the planning and assessment process will respond to the nature, scale and likely impact of the proposal/development or project being considered or assessed. Table 3 refers to the types of notifications. A regular and valuable way for communities to participate in the process is by making a submission on a proposal or development during the formal exhibition stage. Submissions can

highlight positive aspects of a plan to be encouraged or raise areas of concern that may require further attention.

A key technique we use to encourage community participation is formal exhibitions. During public exhibition we make available relevant documents that may include a draft of the policy, plan or proposed development that we are seeking community input on.

Table 3: Types of notification

	Written notice (if appropriate or as specified as being required in this Plan)	Newspaper advertisement	CN website	Site notice	Viewing options at other venues
Planning proposals	✓	✓	✓		✓
Draft development control plans	✓	✓	✓		✓
Draft infrastructure contribution plans		✓	✓		✓
Draft local strategic planning statements		✓	✓		✓
Local development	✓		✓		
Advertised development including nominated integrated development or threatened species development	✓	✓	✓		
Designated development	✓	✓	✓	✓	✓
Planning Agreements	✓	✓	✓		✓

Disclaimer: for any inconsistencies, refer the EP& Act 1979, and EP& A Regulations 2000.

3.1. Public exhibition – for plan making, ie a strategy or planning proposal

As a minimum, exhibition material will be provided on CN's 'Public Exhibition' webpage, Newcastle Customer Contact Centre and at the City Library at 15 Laman Street, Newcastle. For some projects, exhibition material may be available at other library locations. Viewing locations will be detailed on any notification material. Written notice will also be provided to key landowners and affected neighbours.

3.1.1 How to make a submission

Submissions can be made in writing or emailed to mail@ncc.nsw.gov.au by 5pm on the nominated closing date for submissions. Details will be made available on the notification material.

3.2 Public exhibition – for development associated applications

Applications associated with development are displayed on CN's 'application tracking' web page. If you require assistance viewing the documents online during the applicable exhibition period, CN's Customer Contact Centre, will be able to assist. If the documents are available at other locations, it will be specified in the written and published notices. See Table 4 for further detail.

Depending on the type of development and likely impacts, notification may include:

- an email or letter
- an advertisement in the local newspaper
- notice on CN's website and details of the applications on exhibition will be viewable in 'Application Tracking'
- a site notice – for a proposed designated development.

Types of advertised development applications include:

- demolition or removal of a heritage item
- threatened species development
- nominated integrated development
- demolition or partial demolition of a building or work that is within a heritage conservation area, except where, in the opinion of CN, it is of a minor nature and would not adversely affect the heritage significance of the heritage conservation area.

In forming an opinion to notify adjoining owners and/or occupiers CN will consider the impacts on the following matters:

- obstruction of views
- sunlight
- privacy
- noise, odour, light or other pollution
- visual impact, streetscape and local character
- traffic and access
- ground levels
- social
- stormwater and watercourse issues
- natural and man-made hazards.



erve

et providing a vast range of education
re reserve includes native wildlife
hland experiences. Having such
provides the community with an
e and learn more about Australia



Parks & Playgrounds

Our local, district and regional parks, reserves and recreational spaces provide
spaces for informal sporting, recreational and social experiences
the entire Newcastle community



Community Buildings

We maintain a range of community buildings and facilities
to support the needs of the community



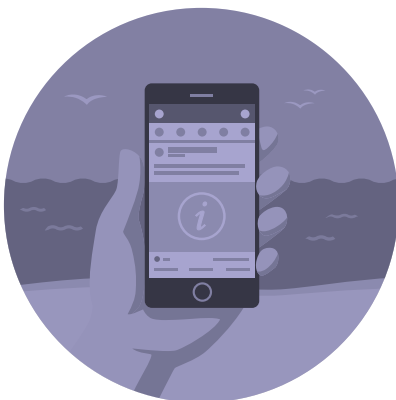
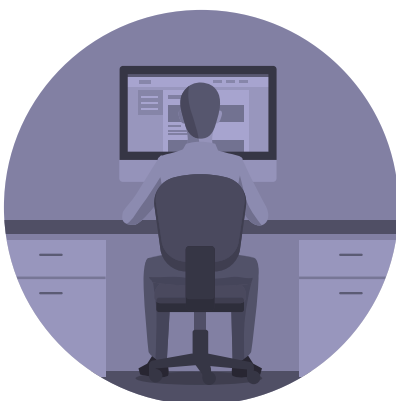
Waste Collection Services

We provide a range of waste collection services
to support the needs of the community

Swimming Pools

ed and swimming, diving
land aquatic facilities (Bereshfield,
ate from the September school holidays
ll as a fifth at Lambton that operates
Bereshfield Swimming Centre, with the
company.

Economic Revitalisation



3.2.1

How to make a submission

After viewing the information provided on CN's website (see Application Tracking or public exhibitions) and reading the document 'What you need to know about the Development Application Process', if you consider you may be affected by the development, you can make a submission to Council. Submissions should be sent to mail@ncc.nsw.gov.au by 5pm on the nominated closing date for submissions. Persons wishing to obtain more information about an application or applications on a site should contact Council by emailing mail@ncc.nsw.gov.au or by phoning 02 4974 2000 during business hours.

When making a submission in the form of an objection, you should clearly specify the grounds on which you are objecting and the impact the proposed development may have on your property, street or community such as bulk, scale, privacy and solar access.

To qualify as a submission, the submission must:

be in writing by email or letter

be submitted within the nominated exhibition time period

include details of the subject property

include the application number and description

include the name, address and daytime telephone number of the author

be based on planning grounds in support or objection to the proposal. Matters that are not directly relevant will not be taken into consideration in the assessment of the application. In addition, existing issues are generally not matters for consideration.

3.2.2

Applications for modifications

After a development consent has been issued, the applicant, or anyone entitled to act on the applicant's behalf, can apply to CN, or the approval authority, for approval to modify that development consent.

An application to modify a development consent is made under Section 4.55 of the EP& A Act 1979 provided the development is substantially the same. If CN does not agree that the proposed modifications would result in substantially the same development as was originally approved, a new development application will be required to be submitted for assessment.

In general, notification will occur in the same manner as the original development application, including notification to any persons who lodged submissions to previous versions of the application. However, CN may decide that further notification in relation to a proposed amendment is not required if it does not result in a greater environmental impact and the assessing officer is of the opinion that the amended application differs only in minor respects from the original application.

3.2.3 Applications for development that will not be exhibited/notified

The decision to notify an application is considered on a case-by-case basis. However, with the exclusion of development relating to a heritage item or development within a heritage conservation area, the following types of development are considered by CN as being unlikely to warrant public notification:

- alterations or additions to commercial or industrial buildings within a business or industrial zone (respectively), except if the site is in proximity to a dwelling or other activity likely to be affected by the proposal
- changes of use within a business or industrial zone, except if:
- the proposed use involves sex industry-related activities or
- the site is in proximity to a dwelling or other activity likely to be affected by the proposal
- single storey dwelling-houses where the allotment area is 450m² or larger
- ground-floor alterations or additions to an existing dwelling
- single storey garages, carports or other residential outbuildings that are at least 600mm clear of property boundaries
- swimming pools and retaining walls associated with a single dwelling house, and that are at least 600mm clear of property boundaries
- internal alterations or renovations
- strata subdivision.

Applications to carry out complying development will not be notified.

3.3 Timeframes for exhibition

Section 2.21(2) of the EP&A Act details the types of proposals that must be considered in The Plan and Schedule 1 sets a minimum exhibition timeframe for most of these proposals. We will always exhibit a proposal for this minimum timeframe and will consider an extended timeframe for exhibition based on the scale and nature of the proposal.

The only requirements in this plan that are mandatory are those set out in Tables 4 and 5 and these are the same as the mandatory minimum timeframes in Schedule 1 of the EP&A Act.

Table 4: Plan making mandatory exhibition timeframes

Draft community participation plan	28 days
Planning proposals for local environmental plans subject to a gateway determination	28 days or as specified by the gateway determination which may find, due to the minor nature of the proposal, that no public exhibition is required.
Draft development control plans	28 days
Draft infrastructure contribution plans	28 days
Draft local strategic planning statements	28 days

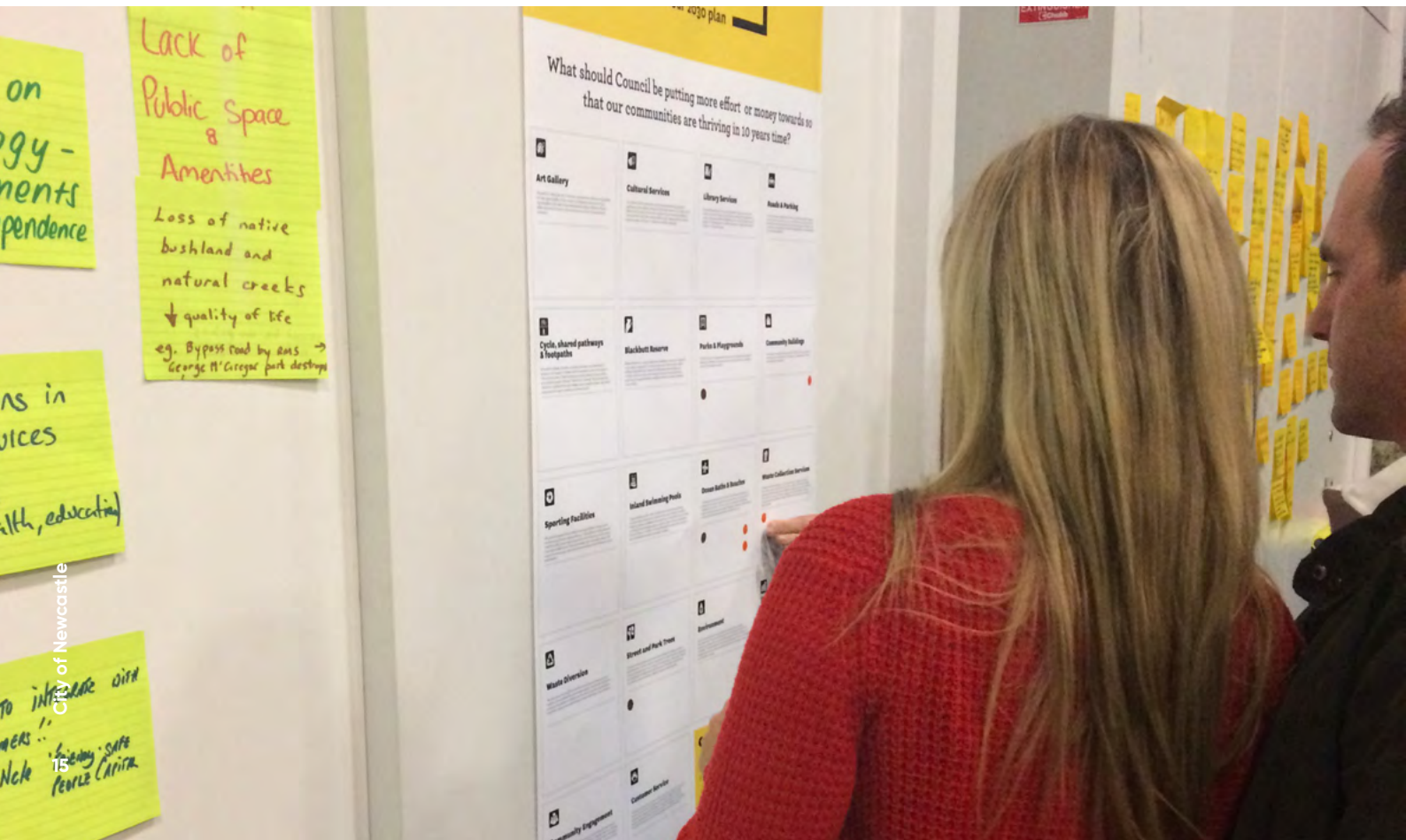


Table 5: Development assessment mandatory exhibition timeframes

Application for development consent or a request to review a determination (other than for complying development certificate, for designated development or for State significant development)	14 days (except when legal requirements specify a longer period). In the case of a request for a review, notification or advertisement will occur in the same manner as the original development application, including notification of any persons who lodged submissions to the original application.
Application for development consent or a request to review a determination for 'designated development'	28 days. In the case of a request for a review, notification or advertisement will occur in the same manner as the original development application, including notification of any persons who lodged submissions to the original application.
Application for development consent or a request to review a determination for 'nominated integrated development or threatened species development'	28 days (commencing on the day after the day on which the notice is published). In the case of a request for a review notification or advertisement will occur in the same manner as the original development application, including notification of any persons who lodged submissions to the original application.
Applications to modify a development application	<p>Notification will occur in accordance with Section 4.55 of the EP&A Act 1979. In summary;</p> <p>Minimum exhibition period:</p> <p>Modifications involving minor error, mis-description or miscalculation applications will not be notified.</p> <p>Modifications involving minimal environmental impact:</p> <p>Applications will generally not be notified. However, if in the opinion of CN the proposed modification has the potential to increase the impact of the development on adjoining or nearby land or development, the application will be notified.</p> <p>Other modifications, including applications which cause increased environmental impact:</p> <p>All persons who were originally notified or made a submission to the previous development application will be notified in accordance with this Plan.</p>

3.4 Public voice

Public voice sessions provide an opportunity for members of the community to make presentations to the Council on:

Applications for development that are to be determined by CN's DA committee at a future meeting

For more information refer to the policy and relevant information on CN's website.



Key Points

Timeframes are in calendar days and include weekends.

CN may resolve to extend the timeframe to accept late submissions

If the exhibition period is due to close on a weekend or a public holiday CN may extend the exhibition to finish on the first available work day.

The period between 20 December and 10 January (inclusive) is excluded from the calculation of a period of public exhibition.

Submissions received from the same person will be considered as a single submission.

Irrespective of the number of submissions received from the occupants of a dwelling, all correspondence will be considered as a single submission.

With respect to lots within a Strata Scheme, a written notice to the Owners Corporation is taken to be a written notice to the owner or occupier of each lot within the Strata Scheme.

If the Owners Corporation of a strata subdivided property consents to the lodgment of a development application relating to that strata subdivided property, the owner or occupier of each lot within the Strata Scheme will not be notified of the application. It is the responsibility of the Owners Corporation to set internal decision making processes to include advising lot owners or occupier of each lot.

Petitions will be considered as a single submission to an application. Irrespective of the number of signatories on a petition.

Any notification of State Significant projects is completed by the State and not subject to this plan.

Persons that lodge a submission will receive an acknowledgment letter from CN and be advised when the application is determined.

Submissions are not confidential and will be placed with documents relating to the application on CN's website.

Personal information from submissions will be removed in accordance with the Information and Privacy Commission's (IPC) guidelines. A submitter's name and property address are not defined as personal information.

Submissions received in response to notification will be considered against the statutory requirements and the reasonable development rights of the applicant.

During the relevant submission period any person may inspect the development application and any accompanying information, and any person may make written submissions to the consent authority with respect to the development application.

Submissions must be lodged with CN by 5pm on the final day of the exhibition period. Consideration of late submissions will be at the discretion of CN.

How to contact us during exhibition:

write to us at
282 King Street
(PO Box 489)
Newcastle NSW 2300
phone us on (02) 4974 2000
mail@ncc.nsw.gov.au

contact the planner responsible for the proposal (details provided on website).

Glossary

Advertised development means development that is defined by this Plan (and includes nominated integrated development or threatened species development) as requiring exhibition.

Contribution plan (or otherwise referred to as a Local Infrastructure Contribution Plan) is a plan developed by CN (and other councils) for the purpose of gaining financial contributions from new development towards the cost of new and upgraded public amenities and/or services required to accommodate the new development.

City of Newcastle (CN) means Newcastle City Council.

Community Engagement means purposeful dialogue between CN and stakeholders in the development and implementation of decisions that affect them. In this Policy, Community Engagement is a broad term that incorporates aspects of stakeholder or public relations, consultation and information campaigns, and includes public participation.

Council means the elected Council.

Designated development refers to developments that are high impact developments (eg likely to generate pollution) or are located in or near an environmentally sensitive area (eg. a coastal wetland).

Development application is a formal application for development that requires consent under the EP&A Act 1979. It consists of a standard application form, supporting technical reports and plans.

Development control plan is a plan that provides detailed planning and design guidelines to support the planning controls in a Local Environmental Plan. It is referred to as a DCP.

Gateway determination is issued following an assessment of the strategic merit of a proposal to amend or create an LEP and allows for the proposal to proceed to public exhibition.

Local environmental plan is an environmental planning instrument developed by a local planning authority, generally a council. A Local Environmental Plan (referred to as a LEP) sets the planning framework for a Local Government Area.

Local development is the most common type of development in NSW, with projects ranging from home extensions to commercial, retail and industrial developments. The Newcastle LEP 2012 and other environmental planning instruments outline developments and land uses that require development consent before the development can take place.

Nominated integrated development means integrated development (not being threatened species development or Class 1 aquaculture development) that requires an approval (within the meaning of section 4.45 of the Act) under:

- a) a provision of the Heritage Act 1977 specified in section 4.46 (1) of the Act, or
 - b) a provision of the Water Management Act 2000 specified in section 4.46 (1) of the Act, or
 - c) a provision of the Protection of the Environment Operations Act 1997 specified in section 4.46 (1) of the Act.
-

Threatened species development means development to which section 7.7 (2) of the Biodiversity Conservation Act 2016 or section 221ZW of the Fisheries Management Act 1994 applies.

Planning Agreement also known as a voluntary planning agreement is an offer by a developer to CN to dedicate land, make monetary contributions, or provide any other material public benefit, to be used for or applied toward a public purpose.

Planning proposal is a document that explains the intended effect of a proposed LEP and sets out the justification for making that plan.

Public exhibition is a formal exhibition period, when the public can make formal comment for consideration in finalising the proposal or application.

Public notice may include:

- A letter or email.
- An advertisement in the local newspaper.
- Notice on CN's website. Details of the applications on exhibition will be viewable in 'Application Tracking'.
- A site notice – for a proposed designated development.

Stakeholders means anyone (person or group of people) who can be impacted by the results of a decision made by CN, and may include: the community generally, residents, ratepayers, businesses, community organisations, other government agencies and any other body interacting with CN.

Unless stated otherwise, a reference to a section or clause is a reference to a section or clause of this Policy.

Appendix A

Environmental Planning and Assessment Act 1979 No 203

Section 2.23 Community participation plans – preparation

2.23 Community participation plans—preparation

- (1) A planning authority to which this Division applies is required to prepare a community participation plan about how and when it will undertake community participation when exercising relevant planning functions (subject to this section).

Note. Schedule 1 requires a proposed plan to be publicly exhibited for at least 28 days.

-
- (2) A planning authority is to have regard to the following when preparing a community participation plan:

- (a) The community has a right to be informed about planning matters that affect it.

- (b) Planning authorities should encourage effective and on-going partnerships with the community to provide meaningful opportunities for community participation in planning.

- (c) Planning information should be in plain language, easily accessible and in a form that facilitates community participation in planning.

- (d) The community should be given opportunities to participate in strategic planning as early as possible to enable community views to be genuinely considered.

- (e) Community participation should be inclusive and planning authorities should actively seek views that are representative of the community.

- (f) Members of the community who are affected by proposed major development should be consulted by the proponent before an application for planning approval is made.

- (g) Planning decisions should be made in an open and transparent way and the community should be provided with reasons for those decisions (including how community views have been taken into account).

- (h) Community participation methods (and the reasons given for planning decisions) should be appropriate having regard to the significance and likely impact of the proposed development.

-
- (3) For the purposes of this Division:

- (a) a community participation plan prepared by the Planning Secretary applies to the exercise of relevant planning functions by the Minister, and

- (b) a general community participation plan prepared by the Planning Secretary applies to the exercise of relevant planning functions by determining authorities under Division 5.1 (other than councils or prescribed public authorities), and

- (c) the regulations may provide that the community participation plan of a planning authority applies to the exercise of relevant planning functions by another planning authority and that the other planning authority is not required to prepare its own community participation plan.

- (4) A council need not prepare a separate community participation plan if it includes all the matters required under this section in its plan and strategies under section 402 of the *Local Government Act 1993*.

newcastle.nsw.gov.au

**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
ADOPTION OF JOSLIN STREET LOCAL CENTRE
PUBLIC DOMAIN AND TRAFFIC PLAN**

Attachments A to E

- | | |
|----------------------------------|---|
| Attachment A:
Item 78 | Joslin Street Local Centre Public Domain and Traffic Plan |
| Attachment B:
Item 78 | Community Online Survey Analysis December 2017 |
| Attachment C:
Item 78 | Exhibition leaflet and poster |
| Attachment D:
Item 78 | Summary of Exhibition Submissions |
| Attachment E:
Item 78 | Joslin Street PDP Process Flow Chart |

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**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
ADOPTION OF JOSLIN STREET LOCAL CENTRE
PUBLIC DOMAIN AND TRAFFIC PLAN**

Attachment A: Joslin Street Local Centre Public Domain and Traffic Plan
Item 78

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City of Newcastle Council has prepared plans to revitalise Joslin Street Local Centre with a focus on improving connectivity for all by integrating the movements of pedestrians, cyclists, buses and cars.

It achieves better connectivity with the addition of a pathway from Rae Crescent across Joslin Street (via a pedestrian refuge) to the retail strip while accommodating bus stops. The southern bus stop is relocated to maintain adequate sight lines and mandatory No Stopping restriction on approach to the pedestrian refuge. The plan also formalises carpark spaces with line marking, making it clear where parking can occur, clear of driveways and ensuring good sight lines.

The design also takes advantage of the amalgamation of open space at the corner of Joslin Street and Rae Crescent by deleting the slip road. This allows for the addition of ten car spaces connecting to the new pathway and also creates a more usable open space area which will be subject to further design in consultation with the community

LEGEND

- 1 Proposed Pedestrian Footpath
- 2 Shopfront Pathway
- 3 Formalised Parking Spaces
- 4 New Pram Ramp
- 5 Retained Traffic Median.
- 6 Pedestrian Refuge

- (A)** No Stopping Zone
- (B)** New Bus Stop & Bus Zone
- (C)** Relocated Mail Zone and Post Box.
- Indicates Extent of Works

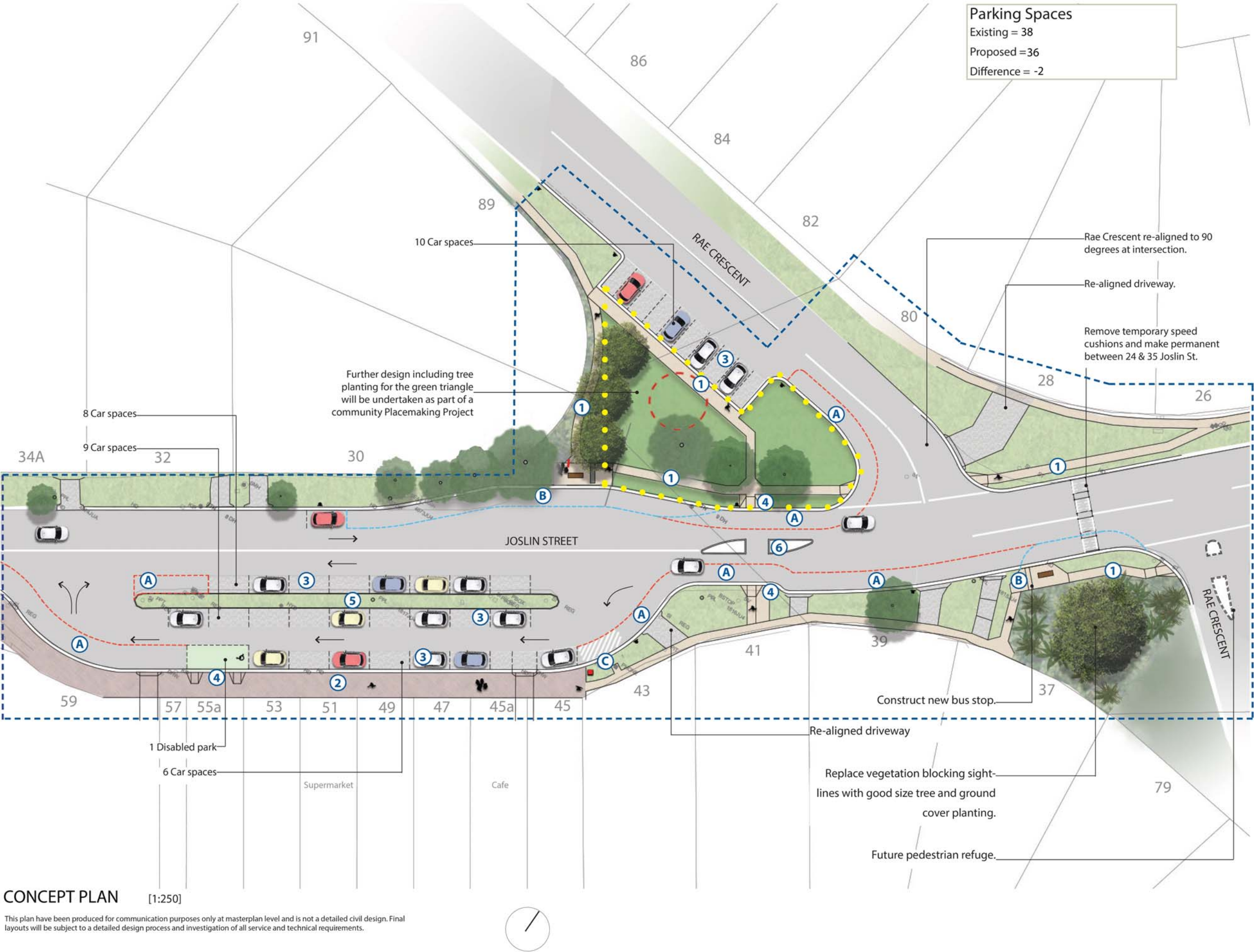
- Trees to be removed
- Existing trees to be retained
- Proposed tree

Note:
All existing parking arrangements are maintained unless shown on the plan.

CONCEPT PLAN

[1:250]

This plan have been produced for communication purposes only at masterplan level and is not a detailed civil design. Final layouts will be subject to a detailed design process and investigation of all service and technical requirements.



**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
ADOPTION OF JOSLIN STREET LOCAL CENTRE
PUBLIC DOMAIN AND TRAFFIC PLAN**

**Attachment B:
Item 78**

Community Online Survey Analysis December 2017

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Joslin Street Kotara – Online Community Survey Analysis (Dec 2017)

Survey was open from 6 to 20 December 2017 and was advertised through leaflet deliveries and posters in the local centre

Total number of respondents = 86

Table 1 Ranked priorities

Please rank in order of priority the following aspects of your neighbourhood centre that you would most like to see improved:

	1	2	3	4	5	6	7	8
Pedestrian safety, access and connectivity	40%	36%	15%	7%	1%	1%	0%	0%
Traffic safety	30%	24%	17%	10%	9%	6%	1%	1%
Aesthetics (the look and feel of the area)	15%	17%	24%	16%	10%	10%	5%	1%
Cycling safety, access and connectivity	5%	12%	16%	14%	13%	23%	8%	9%
Street furniture and comfort	3%	9%	9%	17%	26%	16%	13%	6%
Crime and antisocial behaviour	3%	0%	2%	10%	14%	12%	20%	38%
Street trees	2%	1%	13%	19%	24%	20%	17%	3%
Drainage	1%	0%	2%	6%	2%	12%	36%	41%

1-COMMENTS - TOP THREE THINGS LIKED ABOUT THE AREA (COMMENTS GROUPED BY THEME)

TREES AND GREEN SPACE - 2 COMMENTS ON GREEN TRIANGLE-park area with seats	
SOCIAL/COMMUNITY FEEL- Support Local business-VILLAGE FEEL	
LOCAL ACCESSIBILITY/CONVENIENCE- by foot or car	
Easy public transport	
Variety of shops	
Small size of shopping centre	
Proximity to beach and Lake	I
Easy parking	
More dining and retail wanted	I
NEED MORE LOCAL CAFES OR A BIGGER ONE	
PREFER NOT TO DEAL WITH WESTFIELD	
THE QUIETNESS/SAFENESS OF THE AREA	
LETTER Q CAFÉ -outside seating	

PEDESTRIANS WALKING THRU ON STREET CAFÉ SPACE A PROBLEM	II
LANDSCAPE /STREETSCAPE /URBAN UPGRADE/SHOPS UPGRADE/AESTHETICS/ TREES FOR CAR PARK AREAS/ WIDER PED PAVEMENT FOR GATHERING /KID FRIENDLY	
SMALL PARK UPGRADE- triangle park -PLAY AREA	
BIKE RACKS	
MORE SHOPS VARIETY - chemist wanted - DELI - SUPERMARKET - NEWSAGENT	
BUS STOPS UPGRADE - TO MAKE LIGHT AT NIGHT -TO IMPROVE SEATING AND WEATHER PROTECTION -BUSH SHELTER ON BOTH SIDES OF Joslin St -improve sight lines	
LESS DENSITY OF VILLAS AND TOWNHOUSES	
RELOCATE POST BOX TO FREE UP PARKING	II
PROBLEM WITH BUSINESS OWNERS TAKING CAR SPACES	I
POST OFFICE REQUIRED	I
CYCLEWAY CONNECTIONS TO WESTFIELD AND SCHOOLS	I
BETTER DRAINAGE	I
PUBLIC TOILETS	III
REMOVAL OF LARGE Eucalypts on the street. Too big	I
NO SMOKING AROUND SHOPS	II
PROMOTION OF THE CENTRE	I
CONCERN ABOUT ACCESS TO BUSINESS DURING IMPROVEMENT WORKS	III
COMMUNITY CENTRE/SPACE REQUIRED	I
PEDESTRIAN CROSSING NOT WANTED	I

**ORDINARY COUNCIL MEETING
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**CCL 22/10/19
ADOPTION OF JOSLIN STREET LOCAL CENTRE
PUBLIC DOMAIN AND TRAFFIC PLAN**

Attachment C: Exhibition leaflet and poster
Item 78

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What you told us

The community were invited to complete an online survey in December 2017 to provide feedback about Joslin Street.

Here is a snapshot of the survey results.

Top 3 priorities for the area

Pedestrian safety, access, connectivity



Traffic safety



Aesthetics (the look & feel)



Top 3 things you like about the area

Accessibility by footpath or car



Social & community feel



Variety of shops



Top 3 things you would like to change

Road safety



Landscape/streetscape



Footpaths (more, wider & better connections)



Joslin Street local centre has been prioritised for infrastructure renewal as part of City of Newcastle's local centre public domain program.

We've developed a draft Public Domain Plan and Traffic Plan to guide the redesign of the road, footpath, lighting and landscaping within the centre. The draft plan is on exhibition from **Monday 29 April to Monday 27 May 2019**.

Full coloured copies of the plan and supporting documentation, including frequently asked questions, are available on our website newcastle.nsw.gov.au and at City of Newcastle's City Administration Centre at 282 King Street, Newcastle.

Have your say

Your feedback is important to assist City of Newcastle in making a final decision. If there are no submissions received, we will assume there are no objections to the proposed changes.

Please provide feedback by **5pm Monday 27 May 2019**. Comments can be made via an online form on our website newcastle.nsw.gov.au

If you need assistance filling in the online form please contact Sarah Horan, Acting Asset Planning Coordinator on telephone 4974 2000.

Alternatively, you can write to The Chief Executive Officer, City of Newcastle, Attn: Acting Asset Planning Coordinator, PO Box 489, Newcastle NSW 2300.

For enquiries please call
4974 2000
newcastle.nsw.gov.au



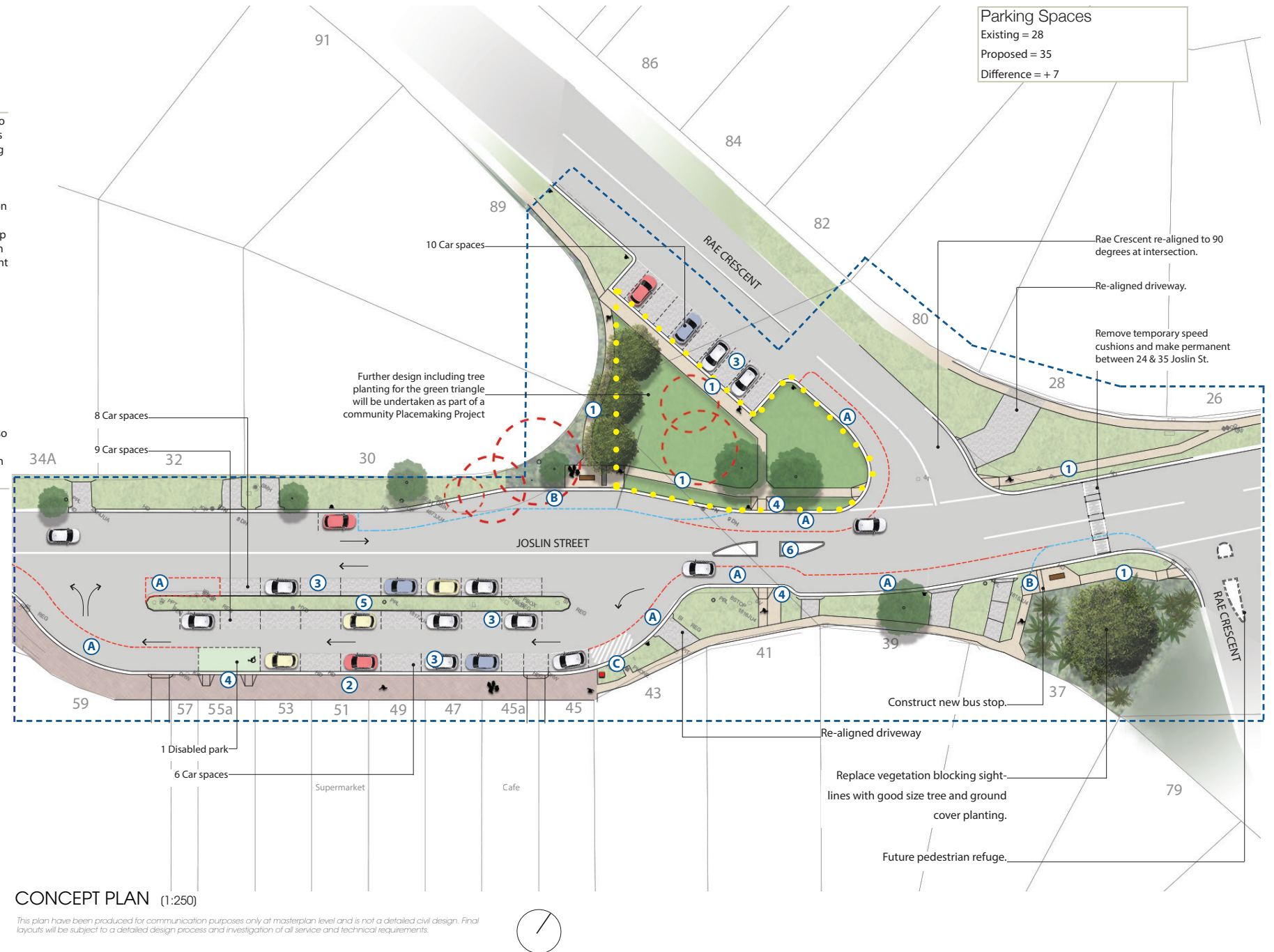
Joslin Street Kotara Local Centre

Draft Public Domain Plan and Traffic Plan



- Additional footpath connections
- A pedestrian refuge facilitating safer crossing of Joslin Street by pedestrians
- Re-alignment of the intersection of Rae Crescent with Joslin Street to make traffic movements safer
- Removal of the existing slip lane between Joslin Street and Rae Crescent to create a larger and more accessible green triangle space
- A community Placemaking project for the green triangle, to collaborate with the community on the usage and design of the space, including opportunities for landscaping and new trees
- Relocation of the eastbound bus stop and provision of an indented bus pull in bay for improved traffic safety at the proposed pedestrian refuge
- Removal of existing trees to facilitate relocation of the eastbound bus stop and redesign of the green triangle
- Relocation of the westbound bus stop for improved traffic safety at the proposed pedestrian refuge
- Relocation of the mail zone and post box to a more accessible location
- Removal of existing temporary speed cushions from the proposed westbound bus stop and installation of permanent speed cushions between 35 and 24 Joslin Street
- Extension of the no stopping zone opposite 32 Joslin Street facilitating sightlines for vehicles exiting the one-way shopping centre access lane
- Provision of a disabled parking space outside the shops
- New angle parking spaces on Rae Crescent with connectivity to the shops via the pedestrian refuge

This plan have been produced for communication purposes only at masterplan level and is not a detailed civil design. Final layouts will be subject to a detailed design process and investigation of all service and technical requirements.



**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
ADOPTION OF JOSLIN STREET LOCAL CENTRE
PUBLIC DOMAIN AND TRAFFIC PLAN**

Attachment D: Summary of Exhibition Submissions
Item 78

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Summary of Joslin Street Kotara PDP exhibition submissions

(Exhibition held from Monday 29 April to Monday 27 May 2019)

Traffic and public domain survey question responses table

Total individual submissions = 43

Question:	Yes	No
Do you agree with the proposed additional footpath connections?	39	4
Do you agree with the proposed pedestrian refuge on Joslin Street?	36	7
Do you agree with the proposed re-alignment of Rae Crescent?	35	8
Do you agree with the removal of the existing slip lane and improvements to the green triangle space?	33	10
Do you agree with the proposed relocation of bus stops and speed cushions to improve traffic safety?	29	14
Do you agree with creating new angle parking spaces on Rae Crescent?	36	7
Do you agree with the removal of trees to create an eastbound bus pull in bay and angle parking spaces in Rae Crescent?	25	19
Do you agree with planting replacement trees in the green triangle space?	33	10

Summarised Submission Issues

Submission Issue	Number of related submissions	Submitted Solutions	City of Newcastle Comments
<p>Parking and no stopping zones</p> <p>The no stopping zones outside no 41-39 and 57-59 Joslin Street and the disabled parking space take up space that could be available for standard parking.</p> <p>The service lane was designed for high turnover but visitors to the hairdressers and cafe take up a parking space for hours.</p> <p>It is hard for delivery drivers to find a park as there is currently no loading zone. Often trucks unload in the middle of the parking area</p> <p>Please do not leave us with less parking spaces than currently exist.</p>	16	<p>Allow parking between 41-39 Joslin Street</p> <p>Relocate the postal box to the parking in Rae Cres instead of Joslin St to create additional parking near the shops.</p> <p>Make the disabled space a standard parking space</p> <p>Make the parking outside the shops 1hr and the Rae Crescent parking unlimited.</p> <p>We would benefit from having timed parking on the side closest to the shops. Maybe 30 minute parking?</p> <p>A loading zone would be beneficial for businesses.</p> <p>Add 15 minute parking.</p> <p>Change layout to 45 degree parking on one side of service lane.</p> <p>Move the disabled car space up a bit to squeeze in an extra parking space.</p>	<p>The proposed no stopping zone outside 39 & 41 Joslin Street is required to maintain sight lines for pedestrians using the proposed refuge. The zone will also assist buses to draw-out of the proposed westbound bus stop. The zone is in accordance with the RMS and TfNSW guidelines.</p> <p>The no stopping zone outside 43 Joslin Street has been proposed to ensure the swept path of a 12.5m truck turning right from Joslin Street into the side access road is accommodated. Similarly, the no stopping zone outside 57 & 59 Joslin Street is proposed to accommodate the swept path of a 12.5m truck exiting the side access road. The final lengths of no stopping zones will be determined during detailed design.</p> <p>The post box and mail zone have been proposed to be relocated from Joslin Street to the side access road to improve accessibility and safety. The proposed location is close to the existing location and provides good visibility for the users. The request to relocate post box and mail zone further away in one of angle parking spaces on Rae Crescent will be investigated in consultation with Australia Post during detailed design.</p>

Submission Issue	Number of related submissions	Submitted Solutions	City of Newcastle Comments
			<p>Timed parking in the side access road outside the shops has not been proposed as it was not requested by the businesses in the past. Investigate timed parking as part of community placemaking project.</p> <p>The design proposes creating 10 new angle parking spaces on Rae Crescent which can be accessed via the pedestrian refuge to offset parking losses associated with the no stopping zones required for improved traffic and pedestrian safety. Taking into account all available existing parking spaces the net loss is approximately 2 parking spaces.</p> <p>The provision of disabled parking is good practice in an inclusive society and a lawful requirement.</p> <p>There is not enough space available to provide 45 degree parking on one side of service lane to Australian Standard.</p>
<p>Removal of Existing Trees</p> <p>The mature trees that are proposed to be removed are too valuable to lose and provide homes to wildlife.</p>	11	<p>Please redesign to keep the trees.</p> <p>Move the bus bay to keep the trees.</p>	<p>Investigation of tree retainability including the position of structural roots, indicates the trees adjacent the proposed bus bay can be retained. The habitat tree adjacent the proposed angle parking spaces off Rae Crescent can only be retained with the loss of 5 parking spaces.</p> <p>There is ample space to plant replacement trees and it is possible to supply nesting boxes as substitutes for nesting hollows.</p> <p>It is not possible to relocate the bus bay due to sightline requirements and offsets mandated by Australian Standards, particularly in relation to the location of the pedestrian refuge.</p>

Submission Issue	Number of related submissions	Submitted Solutions	City of Newcastle Comments
<p>Footpaths</p> <p>This is a high pedestrian area, important connections to the shops and school are currently unpaved or in poor repair.</p>	7	<p>Extend the footpath past 37 Joslin St into Rae Crescent to at least the corner of Rae Crescent and Springfield Avenue.</p> <p>Provide a footpath along Rae Crescent from Joslin Street to Kotara High School.</p> <p>Provide a footpath to Park Avenue (Westfield and Bowling Club).</p> <p>Additional footpath from 60 Joslin Street to 30 Joslin Street.</p> <p>Include pedestrian laneway at western end of shops in plan.</p>	<p>Investigate extension of project scope for additional footpath provision or flag for inclusion in future projects.</p> <p>A footpath cannot be installed immediately west of the eastbound bus bay due to the location of large trees which are to be retained.</p> <p>The laneway at the western end of the shops is within scope and will be addressed as part of the project.</p>
<p>Design of the green triangle space</p> <p>Cycle racks and dog friendly infrastructure need to be included</p> <p>The replanting proposal does not appear to provide enough shade over the seating areas.</p> <p>The proposed footpaths constrain the size of the green triangle space available for use as a public space.</p>	5	<p>Install a water fountain with a dog drinking bowl.</p> <p>Maybe a small kid's playground would benefit as an attraction for families. Also, some tables and chairs would be great. It definitely needs a bin! Another thing that would be great would be a community bike rack on the green triangle.</p> <p>Move the pedestrian refuge.</p>	<p>Design of the green triangle will be part of a community placemaking process and could incorporate tables, chairs, planting and other facilities as requested</p> <p>Refer to Pedestrian Refuge.</p>
<p>Safety when exiting the shopping service lane onto Joslin Street</p> <p>This plan does not address the fact that exiting the side road that services the shops is dangerous.</p>	4	<p>The no stopping zone opposite number 32 Joslin Street should incorporate a physical way to stop vehicles parking</p>	<p>The side access road forms an intersection with Joslin Street so it requires minimum 10m no stopping restrictions on both corners</p>

Submission Issue	Number of related submissions	Submitted Solutions	City of Newcastle Comments
<p>Vision of traffic on Joslin Street is limited by parked vehicles on both sides of the exit.</p>		<p>there, as people will still park there as not likely to get booked</p> <p>Add mirrors in front of the exit instead of no stopping zones</p>	<p>as per the road rule. The no stopping zones have been increased at the intersection to improve visibility. The proposed pedestrian refuge will function as a traffic calming device and will assist in reducing traffic speeds.</p> <p>Investigate physical barrier to prevent parking in no stopping zone at detail design stage.</p> <p>Mirrors can distort vision and make the speed of oncoming traffic difficult to assess, they are not considered a safe alternative to no stopping zones.</p>
<p>Angle parking on Rae Crescent</p> <p>Introduces a potentially dangerous situation by vehicles reversing into and exiting the proposed angle parking spaces.</p> <p>Encroaches on a residential area.</p>	3	<p>Retain parking outside number 59.</p> <p>Omit angled parking</p>	<p>Proposed angle parking will be designed to standard allowing sufficient sight lines. Rear to kerb parking will be required so that vehicles do not reverse into traffic.</p> <p>The proposed angle parking partly takes up space that was previously a slip road. Providing enough parking supports the success of local businesses.</p>
<p>Street lighting</p> <p>We need more street lights, the street is too dark to walk in without a torch.</p>	3	<p>More street lights on every street</p> <p>Extra lighting for the bus stop and pedestrian refuges.</p> <p>Good lighting for spaces where staff will park as they leave after dark.</p>	<p>Lighting assessment and upgrade to appropriate standard will be undertaken as part of the project.</p>

Submission Issue	Number of related submissions	Submitted Solutions	City of Newcastle Comments
Pedestrian refuge on Joslin Street The refuge has not been located where people will cross the road.	3	The pedestrian refuge should be moved adjacent to the old slip road as that is where pedestrians will cross.	The proposed footpath network will channel pedestrians to the proposed refuge. It is not possible to locate the pedestrian refuge adjacent to the old slip road as it will conflict with the proposed bus bay and traffic entering the shopping service lane.
Pedestrian Crossing A pedestrian crossing would be safer than a pedestrian refuge	2	Install a pedestrian crossing instead.	This location does not meet the warrant (quantity of pedestrians) for a pedestrian crossing to be approved.
Location of the westbound bus stop Buses at the westbound bus stop will limit the view of eastbound traffic on Joslin Street.	2	Indent the bus bay into the grassed area.	Investigate an indented bus bay at the westbound bus stop at detail design stage.
Speed humps Existing speed humps are not user friendly. Excess traffic speed on Joslin Street.	1 1	Remove the speed humps completely Speed cushions should be brought closer to the public domain to create a precinct and reduce the ability of drivers to accelerate.	The existing and proposed speed cushions are part of the Kotara and Adamstown Heights Traffic and Parking Study. The proposed pedestrian refuge will function as a traffic control device and act as an eastern entry to the shopping precinct.
Extra beautification Missed beautification opportunities.	2	Include trees in the retained traffic medium and some planter boxes along shopfront pathway. Could include tree planting outside number 28 Joslin Street.	Investigate as part of detail design and community placemaking project.

Submission Issue	Number of related submissions	Submitted Solutions	City of Newcastle Comments
Extra median refuge Rae Crescent/Joslin Street intersection is wide, has footpath but no refuge.	1	An additional pedestrian refuge on Rae Crescent/Joslin Street intersection	The design re-aligns and narrows the Rae Crescent/Joslin Street intersection making it easier to cross.
Driveway at 28 Joslin Street Driveway is to be rebuilt at new angle	2	Request like for like driveway finish.	To be investigated at detailed design stage.
Tree issue Large Camphor Laurel tree(s) damaging footpath outside 84 Rae Crescent	1	Remove tree(s)	Flag with City Greening and investigate at detail design stage.
Active Transport Make active transport a priority	1	Make cyclists number 1 priority followed by pedestrians then buses. Reduce speed of cars.	A cycle lane cycle is not provided as Joslin St is not a dedicated cycle route, however this design allows space for cyclists to share the traffic lane with cars and fosters an active transport culture by reducing speed of cars, improving pedestrian access and safety and providing improved bus infrastructure.
Out of Scope			
Traffic flow Kotara residents are regularly locked in their suburb & unable to turn onto Park Avenue.	2	A 'do not queue across intersection' line marking and signage is required for the turn from Joslin St to Park Ave and also at Grayson & Park Ave. Traffic lights at Joslin Street/Park Avenue intersection	Flag with Traffic Team.
New Trees Lack of street tree shade on school walking route	1	Request planting of appropriate trees along the entire northern side of Rae Crescent.	Flag with City Greening.

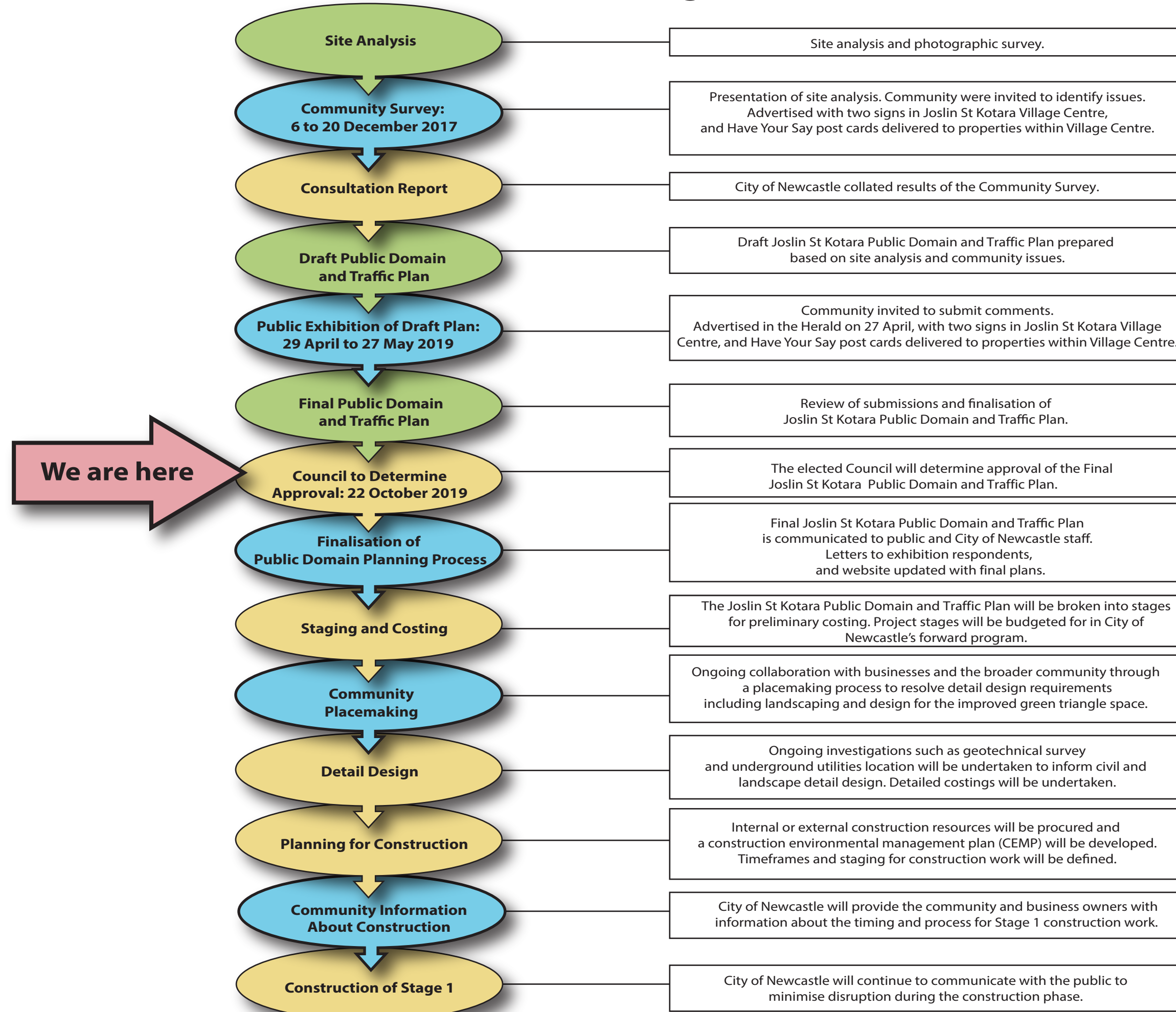
**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
ADOPTION OF JOSLIN STREET LOCAL CENTRE
PUBLIC DOMAIN AND TRAFFIC PLAN**

Attachment E: Joslin Street PDP Process Flow Chart
Item 78

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Joslin St Kotara - Local Centre: Public Domain Planning Process Flow Chart



**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
CARRINGTON GREENSPACE MASTERPLAN PUBLIC EXHIBITION**

Attachments A and B

- Item 80 Attachment A:** Draft Carrington Greenspace Masterplan
- Item 80 Attachment B:** Carrington Greenspace Concept Plan –
Engagement Report January 2019

<p>DISTRIBUTED UNDER SEPARATE COVER</p>
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**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
CARRINGTON GREENSPACE MASTERPLAN PUBLIC EXHIBITION**

Attachment A

Item 80 - Attachment A: Draft Carrington Greenspace Masterplan

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CARRINGTON (ONEBYGAMBA)

GREENSPACE MASTER PLAN

Prepared for the City of Newcastle



"I would love more trees ... I think it's important to return the environment to what has belonged here previously" - Community member

Prepared for



Consultant Team



Quality Information

Document	Carrington Greenspace Master Plan Report
Ref	60589151
Date	09 October 2019
Prepared by	AECOM

Revision	Revision Date	Details
DRAFT A	1 March 2019	Draft For Client Review
DRAFT B	24 June 2019	Draft For Client Review
DRAFT C	18 July 2019	Draft for Client Review
DRAFT D	13 September 2019	Final for Client Review
DRAFT E	09 October 2019	Final for Client Review

City of Newcastle and AECOM acknowledges the traditional custodians of the land and waters, the Awabakal People. We pay respect to knowledge holders and community members of the land and acknowledge and pay respect to Elders past, present and future

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1.0 INTRODUCTION

There are many beautiful aspects of the area that are worth sharing. The Carrington residents get to enjoy the area and residents and visitors from the wider area can share the beauty of Carrington' - Community member



Figure 1. Cowper Street Bridge crossing Throsby Creek

1.1 OVERVIEW

CARRINGTON OVERVIEW

There are few neighbourhoods in Newcastle as storied and distinct as Carrington. Long defined by Newcastle Harbour and the industries that have plied it, Carrington is unique but equally representative of a broader Newcastle story. An island built up by ballast, hemmed in by the ships that brought it and for so long hidden beneath their plumes of smoke, Carrington has been influenced by the prosperity and hardship of a working port. Carrington's streets are much altered from the 'sloughs of despond' described by the Newcastle Morning Herald and Miners' Advocate in 1887. Town centre renewal has given Young Street a fresh face and the restoration of many old homes and commercial premises has brought the neighbourhood into a new and promising chapter. Locals and visitors alike appreciate that this is a corner of Newcastle where past and present sit comfortably next to each other, interwoven by an active and caring community long known for its resilience and camaraderie.

Now one of Newcastle's most desirable inner-city neighbourhoods, Carrington has undergone significant economic and urban transformation. Despite these changes, Carrington has retained its unique personality and its generous and distinctive open spaces.



PURPOSE OF THE MASTER PLAN

The study area for this master plan comprises the greenspaces that form the public domain of Carrington, principally the parks, foreshore and adjoining road reserves. The aim is to develop a cohesive plan for achieving a complimentary variety of recreation, amenity and social opportunities for the Carrington community. The master plan also explores enhancing connectivity of the greenspaces more broadly. These greenspace connections include how they relate to identity, 'Country', culture, the past and future, biodiversity, recreation and transport networks.

Strong linkages between existing parklands, waterways and street networks celebrate and showcase Carrington's unique history, Aboriginal culture and aspirations of the local community. The master plan considers the following deciding factors to guide the ideas and pathway for future development that will enhance the current parkland offerings and connections in Carrington:

- relevant Council policies and strategic plans
- aspirations of the community and stakeholders
- site opportunities and challenges

It is hoped that the Carrington community feels a sense of ownership of the master plan and sees opportunities to work together with City of Newcastle (CN) and other land owners to achieve its aims. The master plan lays out the framework for site improvement opportunities in relation to Carrington's greenspaces, and while works identified are currently unfunded, having a plan that is built upon the needs and priorities of the community may assist in securing funding to deliver specific initiatives.

The master plan includes several areas of open space that are not under CN management specifically foreshore areas under the control of the Port of Newcastle; and Crown lands respectively. It is important to note that while these spaces are important to locals and visitors alike, and that relevant land managers agreed to their inclusion within this plan, City of Newcastle is not responsible for further development of these spaces.

REPORT STRUCTURE

SETTING THE SCENE

- background research
 - mapping the components
 - describing the characteristics
- A thorough analysis of the study area was undertaken through site visits, desktop investigation and discussions with Council, community and stakeholders to help gain an in depth understanding of Carrington.

DEFINING THE VISION

- community and stakeholder participation
 - identifying opportunities and challenges
 - setting the vision and principles
- Outcomes of the engagement process were collated and prioritised to help identify the challenges, concerns, opportunities and aspirations of the community and stakeholders. This participatory process assisted with the formulation of a vision and set of guiding principles that reflects the community's desires for Carrington.

THE MASTER PLAN

- building a master plan
 - key initiatives
- Provides a set of initiatives described by accompanying concept plans, graphics and visualisations.

DELIVERING THE MASTER PLAN

- prioritising initiatives
 - implementing strategies
- The initiatives are prioritised and mapped out for implementation. Practical solutions are put forward to ensure the master plan can be delivered in a staged approach.

MASTER PLAN OBJECTIVES

The primary objective of the Greenspace Master Plan is to communicate a vision for Carrington's greenspaces, and set a clear direction for Council and the Carrington community. The master plan is a tangible response to the community's desire to live in a place that is connected both physically and culturally and seeks to build upon its unique natural and urban fabric.

Master plan objectives for Carrington include:

- providing direction for the management and enhancement of Carrington's environmental assets
- integrating measures into the public domain to build resilience and awareness of climate change through relevant actions from the City of Newcastle's Strategic Position for the management of low lying area's report 2017
- providing a holistic planning outcome that is consistent with relevant Council planning schemes
- speaking to the narrative of Carrington through integrated design initiatives such as public art, cultural meeting places and interpretation
- making recommendations that are realistic and informed by community engagement findings
- improving access and connections between existing and future greenspaces in Carrington as well as to surrounding areas and active transport networks
- investigating and recommending a variety of uses for existing parklands to increase visitation and activation
- considering management of existing trees and strategies for long-term replacement where necessary or desirable
- considering urban heat island impacts in conjunction with the design of public spaces, in line with CN's overarching objective of a liveable cooler city



Figure 2. Throsby Creek Worimi Artwork along the foreshore

2.0 SETTING THE SCENE

'The mangroves are incredibly important as part of the estuary ecosystem, shore bird and fish habitat' - Community member

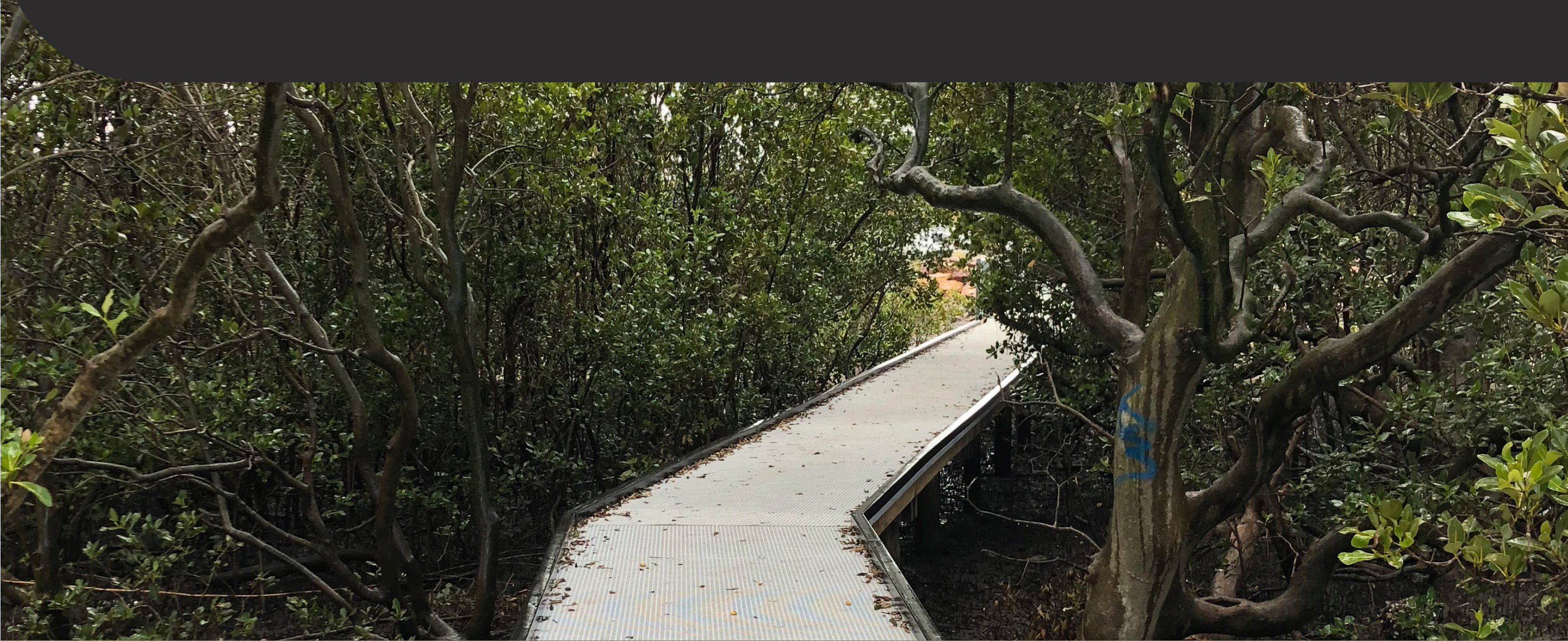


Figure 3. Carrington's mangrove boardwalk

A horizontal timeline bar with a green arrow pointing to the right. The bar is divided into segments by vertical lines, with labels for each segment: "Pre 1801", "1801 - 1886", "1886 - 1929", "1929 - 1949", "1945-1990", and "1990 - 2019".

RENEWAL

8

CARRINGTON AERIALS

The following aerial photos provide an overview of the growth of Carrington post World War II. It shows the gradual land reclamation and formalising of Throsby Creek edges to create the island suburb we know today.



Figure 9. 1944 Aerial



Figure 10. 1961 Aerial



Figure 11. 1974 Aerial



Figure 12. 1986 Aerial



Figure 13. 1994 Aerial



Figure 14. 2018 Aerial



Figure 15. 1902 Tram Route Map Overlaid 2018 Aerial

2.2 CARRINGTON’S CONTEXT

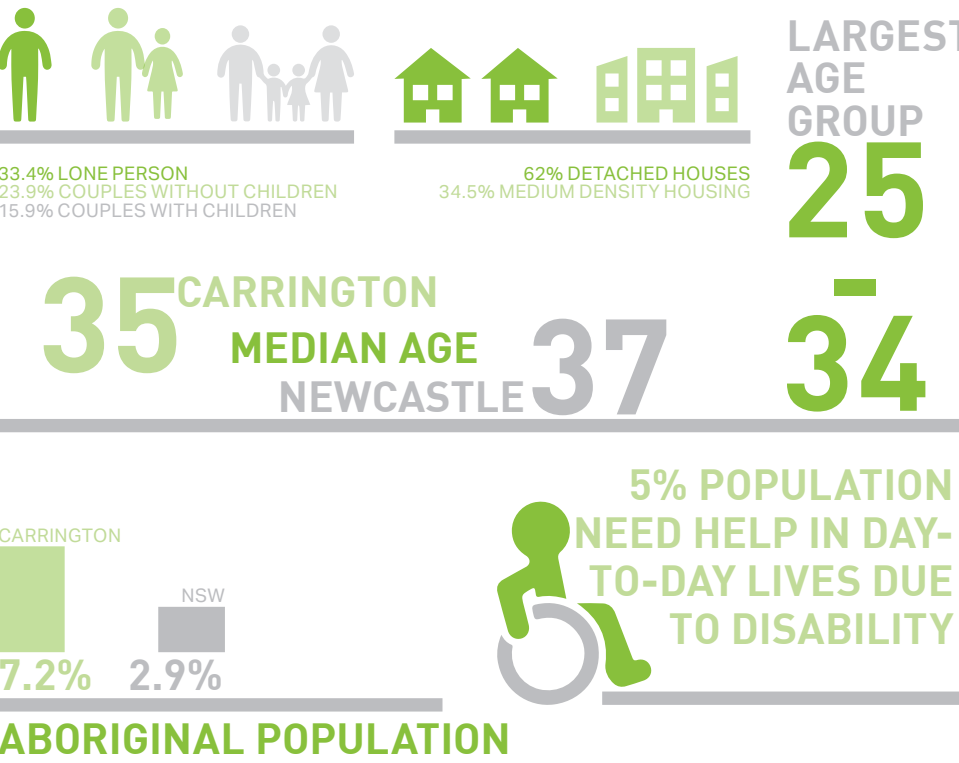
SITE CONTEXT

Carrington is an inner-city suburb of Newcastle that is partially surrounded by the Hunter River. The suburb is located within the City of Newcastle local government area (LGA) and subject to the Newcastle Local Environmental Plan 2012. There are two access points or ‘gateways’ to the suburb, one at the northern end via Elizabeth Street and another across Throsby Creek via the Cowper Street Bridge.

Long defined by Newcastle’s working port, Carrington is a comparatively dense urban environment that is given structure by a unique street grid that reflects nineteenth-century land holdings.

In recent years the City of Newcastle has invested in Carrington’s public domain, working with local businesses and residents on improvements to Young Street that address streetscape, drainage, access and traffic issues. Further town centre renewal will improve walkability in the suburb and will enhance the amenity of Carrington’s historic main street environment. Carrington’s proximity to the harbour, coupled with its generous public reserves, has long enticed locals and visitors alike to make use of its parks, ovals and foreshore.

Demographics



PLANNING CONTROLS

The Newcastle Local Environment Plan (Newcastle LEP 2012) provides the local planning controls for the suburb.

The Newcastle LEP 2012 is supplemented by the Newcastle Development Control Plan (Newcastle DCP 2012). The Newcastle DCP 2012 provides detailed development principles, controls and guidelines that support and elaborate on the provisions set out in the Newcastle LEP 2012.

The key relevant aspects of each of these Plans are outlined in the following section.

Newcastle Local Environment Plan (2012)

The Newcastle LEP 2012 is a legal document that provides rules and standards for uses on land within Carrington. The key controls set out in the LEP that are relevant to the project are summarised in the following.

Acid Sulfate Soils

Acid sulfate soils are typically found in low lying areas near the coast and are classified based on the likelihood they will be present in particular areas and at certain depths (with Class 1 being the most likely and Class 5 being the least).

Throsby Creek is identified as Class 1 acid sulfate soils with the majority of the residential, open space and industrial land identified as Class 2 acid sulfate soils.

Any works carried out on Class 1 or Class 2 land may require management.

Mine Subsidence

The vast majority of the suburb is identified by the Newcastle LEP 2012 as being located within a mine subsidence district (as proclaimed under section 15 of the Mine Subsidence Compensation Act 1961). A mine district is a land zoning tool administered by Subsidence Advisory NSW (SA NSW) under the Coal Mine Subsidence Compensation Act 2017 to help protect homes and other structures from potential mine subsidence damage. Districts are areas where there are potential subsidence risks from underground coal mining that has occurred or may take place in the future. Building and subdivision works within districts are regulated by SA NSW to ensure new homes and structures are built to an appropriate standard that reduces the risk of damage should subsidence occur.

Newcastle Development Control Plan

The Newcastle DCP 2012 sets relevant aims and objectives for Carrington that serve to provide a greater level of detail in support of the provisions set out in the Newcastle LEP 2012.

This includes guidance as to the desired level of growth within residentially zoned areas. The DCP indicates that the majority of residential land within Carrington is identified for limited growth with some moderate growth precincts between Tully Street and Robertson Street in the suburb’s west and between Cowper Street, Young Street, Hill Street, Gipps Street and Robertson Street in the east. The land fronting Young Street between Cowper Street South and Forbes Street is also identified as a Business Precinct.

Section 7.04 of the DCP provides guidance for all development that involves new movement networks or modifications to existing movement networks, (including roads, pedestrian or cycle paths). The following overarching objectives for the movement network are provided in this section:

- provide for streets that fulfill their designated functions within the network; accommodate utility services and drainage systems; and create a safe and attractive environment
- encourage walking and cycling
- ensure speed reduction to improve safety

Urban Forest Technical Manual

In support of the Newcastle DCP 2012, City of Newcastle has developed a suite of technical manuals. Of particular relevance to the project is the Urban Forest Technical Manual 2018 which provides guidance on the management of trees (including shrubs) on both public and private land within the Newcastle Local Government Area.

The manual acknowledges that the urban forest and associated tree canopy across Newcastle provides a range of benefits to the community including shade, micro-climate regulation, air quality, sense of wellbeing, diverse flora and fauna, stormwater management and interception. It also notes that the liveability of the city is greatly improved by having a sustainable tree canopy and greenspaces.

Part B of the Manual provides guidance on the management of trees and shrubs located on public land. It encourages protection of existing trees and appropriate planning (early in the design phase) for new trees.

It also provides guidance on tree species selection with specific direction around species considered to be undesirable in the Newcastle LGA.

Newcastle City Council Strategic Position for the Management of Low Lying Areas of Newcastle (July 2017)

This paper identifies City of Newcastle’s strategic position on the management of the low lying suburbs of Carrington, Islington, Wickham and Maryville. The paper provides a basis for CN’s future decisions on planning policy and maintenance in relation to sea level changes, flooding and pressures from climate change.

The paper aims to provide cost effective mitigation strategies for managing flood risk and increasing ground water levels, and maintenance of council owned infrastructure e.g. roads and drainage, limiting impact to private properties, establish a plan that is simple and flexible to deal with climate change, identify gaps in information and present a research based, well informed paper for the community and policy makers.

3.0 DEFINING THE VISION

'The suburb and city need more big trees for shade and character' - Community member



Figure 16. Jubilee Park, Carrington

STRATEGIC PLANNING CONTEXT

There are a number of strategic plans and policies that provide context and specific directions relevant to guiding the future development of Carrington. The following plans and policy documents were reviewed and a summary of objectives relevant to Carrington and this study are listed below.

STATE

Draft Hunter Sport and Active Recreation Plan 2018 - 2023

The Draft Hunter Sport and Active Recreation Plan (2018) represents the first comprehensive sport and recreation plan for the region. The draft plan aims to provide everyone in the Hunter Region with access to a range of sport and active recreation opportunities.

The key outcomes relevant to Carrington are to facilitate an increase in participation, access, appropriate facilities and regional sporting events.

Greater Newcastle Metropolitan Plan 2036

The Greater Newcastle Metropolitan Plan aims to set our visions and strategies to drive sustainable growth within the region. The overall plan aims to fulfill two overarching outcomes for the region; to create a workforce skilled and ready for the new economy and to enhance environment, amenity and resilience for quality of life. Specifically the plan addresses:

- enhancing blue and green grid and associated urban tree canopy
- improving local access to open space, recreation areas and waterways
- enhancing blue and green grid by implementing green infrastructure outcomes
- cooling Greater Newcastle through greening urban areas, buildings, transport corridors, open spaces and enhancing the urban forest

Throsby Creek catchment Agencies Action Plan

The Throsby Creek Government Agencies Committee seeks to enable cooperative leadership from numerous government agencies who have responsibility for the Lower Throsby Creek. It includes representatives from Hunter Water Corporation, City of Newcastle, Lake Macquarie City Council, Roads and Maritime Services, Hunter Local Land Services, the Port of Newcastle, Hunter TAFE, Port Waratah Coal Services and two community representatives. The Throsby Creek Catchment Agencies Plan (2019-2024) was developed in consultation with relevant agencies and the community and captures a consolidated vision for Throsby Creek.

Chair: Member for Newcastle, Mr Tim Crakanthorp MP
Government Agencies:

- City of Newcastle (CN)
- Hunter Local Land Services (HLLS)
- Hunter Water Corporation (Committee Secretariat) (HWC)
- Lake Macquarie City Council (LMCC)

- Roads and Maritime Services (RMS)
- TAFE NSW (TAFE)

Business, Community and Stakeholder Representatives:

- Port of Newcastle
- Port Waratah Coal Services
- Community representative: Mr John McLeod, Newcastle Rowing Club
- Community representative: Mr John Sutton, Tighes Hill Community Group

SOURCE: Throsby Creek Catchment Agencies Plan 2019-2014, <https://yourvoice.hunterwater.com.au/throsby-creek-government-agencies-committee>

LOCAL

Carrington Local Centre

The City of Newcastle’s Local Centres Public Domain Program provides guidance for infrastructure renewal works within the local and neighbourhood centres throughout the Newcastle LGA.

The Carrington local centre is one of the first to be renewed in 2018 with works such as the Young Street upgrade already underway. The public domain plan for Carrington has been developed in consultation with local businesses and residents to address streetscape, drainage, access and traffic issues.

City of Newcastle Local Planning Strategy

The Local Planning Strategy 2015 (LPS 2015) is a land use strategy for the City of Newcastle which aims to guide the future growth and development of the City.

Objectives that directly relate to Carrington include:

- maintain and improve the local character of Carrington’s architecture and streetscapes
- improve the viability of the commercial area
- develop transport routes to minimise impacts of port traffic on residential and mixed use parts of Carrington
- encourage development to reflect the character and heritage of the area
- maintain and enhance the recreation reserve along the Throsby Creek Foreshore
- enhance the entrance to Carrington along Cowper Street by improved landscaping

Dogs in Open Space Plan

The draft Dogs in Open Space Plan will guide the provision, improvement and management of dog off leash areas in Newcastle over the next 10 years. The strategy includes dog off leash provisions, enhancing existing off leash areas, fenced dog park opportunities, managing dogs in public places and community education and information.

Newcastle 2030 Community Strategic Plan

The Newcastle 2030 Community Strategic Plan (CSP 2030) was released in 2018 and outlines the vision for the city. A central tenant of the Newcastle 2030 plan is to facilitate Newcastle’s transformation into a smart, liveable and sustainable global city, underpinned by community values.

The four guiding principles identified for achieving the city’s vision relevant to Carrington are:

Recognise diverse local community needs and interests

- consider social justice principles of equity, access, participation and rights
- consider long term and cumulative effects of actions on future generations
- consider principles of ecologically sustainable development

Newcastle Urban Forest Policy

The City of Newcastle’s Urban Forest Policy (adopted in 2008) recognise the value of trees in the urban environment. The policy provides directions for guiding the management of the Newcastle urban forest and emphasises the range of benefits the urban forest provides to the community.

The goals and objectives of the policy which are also applicable to Carrington are focused on:

- recognising the health and well-being benefits of the urban forest
- improving the quality and quantity of the urban forest
- establishing robust planning processes
- improving education and research
- involving the community in managing the urban forest

Newcastle Environmental Management Strategy

The Newcastle Environmental Management Strategy defines how CN aims to meet the challenge of achieving the community’s environmental vision for Newcastle, which is expressed within the strategic direction ‘Protected and Enhanced Environment’ in the Newcastle 2030 community strategic plan (CSP). It includes three core environmental objectives:

1. Greater efficiency in the use of resources;
2. Our unique natural environment is maintained, enhanced and connected; and
3. Environment and climate change risks and impacts are understood and managed.

Parkland and Recreation Strategy

The Parkland and Recreation Strategy has been developed to guide the sustainable provision of parkland and recreation facilities. The strategy is an examination of existing and projected demographic data; an assessment of current supply and future demand; and the identification of opportunities and initiatives for future parkland and recreational facilities and services.

3.1 CARRINGTON'S URBAN FABRIC

HERITAGE

EUROPEAN

Carrington has a rich history that has resulted in a multifaceted and unique suburb. A mix of industrial, residential, community and historical heritage elements found in the suburb include:

- the Carrington Pump House which is currently undergoing restoration works in order to be re-purposed for community use
- the double row of mature Canary Island Date palms on Gipps and Hargrave Streets, (Newcastle LEP 2012 Local Heritage item)
- the Connolly Park War Memorial Gate
- six former and current hotels
- other buildings such as a range of existing and former community buildings (Public School, Fire Station, Post Office, Council Chambers), a former theatre building, a shop, a former warehouse facade, multiple crane bases, two churches and a number of residences. The majority of these heritage listed buildings are located along Young Street



Figure 20. Selection of Heritage listed buildings in Carrington including the Council Chambers (top left), Everyone's Theatre (top right), Carrington Club Hotel (bottom left) and the Carrington Pump House (bottom right)



Figure 18. Canary Island Date Palms: Planted down the central medians in 1918 as a memorial to the first world war.



Figure 17. State heritage listed Carrington Pump House which was NSW's first large scale hydraulic power system (Source: State Library of Victoria)



Figure 19. Carrington Urban Fabric Diagram



CHARACTER AND IDENTITY

Carrington’s unique character is largely due to its history as a working port town. It was built from a series of low lying mangrove covered islands. The sense of an island is still strong with the suburb bordered by Newcastle Harbour and Throsby Creek with a bridge crossing forming the main entrance into Carrington. Within Carrington there are distinct character zones which are identified as;

- residential
- western foreshore
- sports precinct and
- the town centre

The residential area reflects a strong port character with small weatherboard workers cottage style homes along the streets with rear laneways. Within the Town Centre the use of nautical themes in the public domain furniture further emphasises Carrington’s port history. The residential built form ranges from historic workers cottages and Victorian terraces to more recent town houses, apartments and detached dwellings. The old and new built form juxtapose considerably in some locations. From a number of the residential streets there are prominent view corridors to the large industrial port elements linking the two distinct aspects of the suburb’s character.

Carrington’s greenspaces also contribute to the identity of the area. The popular western foreshore along Throsby Creek and the sports precinct comprising of Pat Jordan Oval and Connolly Park, provides a ‘green’ entry to Carrington crossing over Cowper Street bridge.

The Town Centre at the junction of Young and Cowper Street is defined by the wide street and footpaths lined by car parking and large tree planters. The buildings are a mix of old and new with characteristic heritage buildings such as the Post Office, the Orient Hotel and St Thomas Anglican Church.

The street network varies in form from large boulevard style streets to narrow laneways. Setbacks also vary across the suburb. Minor streets and laneways generally have limited to no setbacks, which results in less tree canopy coverage than the larger boulevard streets.



RESIDENTIAL



WESTERN FORESHORE



SPORTS PRECINCT



TOWN CENTRE

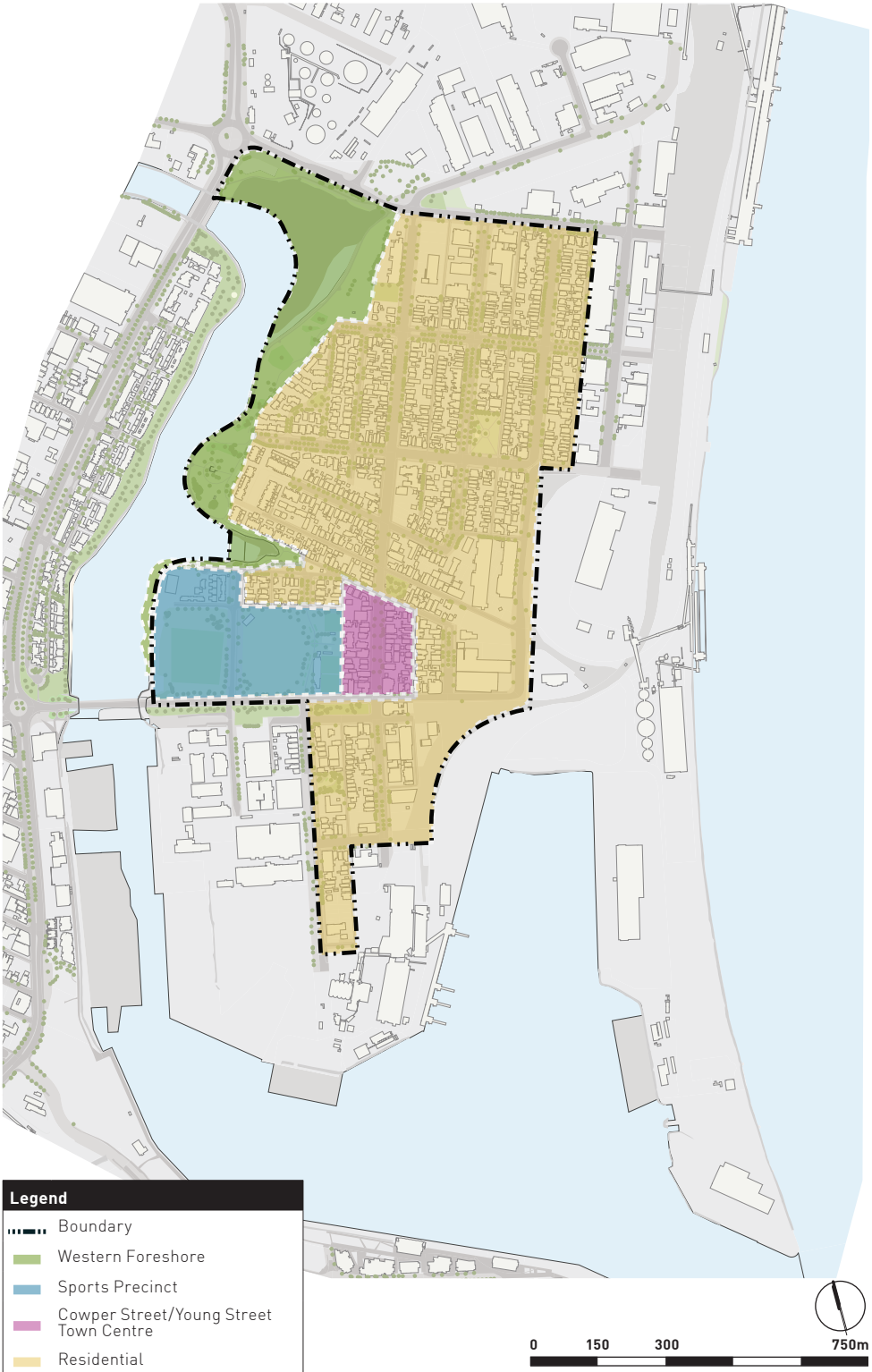


Figure 21. Carrington’s Character and Land Use Diagram

STREET, PEDESTRIAN AND CYCLE NETWORK

Carrington has two pedestrian and vehicle access points, via Cowper Street Bridge, and Elizabeth Street to the north. Carrington is generally a grid pattern with streets running north-south and east-west. Carrington’s two distinct character zones of the port and the residential area is generally divided by the 4.6m high truck vehicle route running along Elizabeth Street, Darling Street, Bourke Street and Denison Street. The profile of the main streets is generally consistent and includes the footpath network of concrete paths. There are no footpaths along some narrower streets, laneways and along the street edge of the foreshore park. There is generally a good level of connectivity within the suburb to the west, however, the large north south blocks between Elizabeth Street and Robertson Street do present a moderate barrier to foreshore accessibility. The large industrial lots to the east and south largely prevent public foreshore access to the eastern water’s edge. However, an exception to this is a port owned pedestrian bridge allowing for informal access to a small park along the eastern foreshore. Carrington cycle network is connected to a larger network along Throsby Creek, connecting Newcastle City to Newcastle TAFE and beyond. The cycle routes are predominately off- road share paths along the foreshore with an on-road connection to the Carrington town centre. The City of Newcastle Cycling Strategy identifies future dedicated cycle routes within Carrington.



Figure 23. Existing Road block Bourke/Robertson Streets



Figure 22. Carrington’s existing street and bike network

FLOODING, INUNDATION AND DRAINAGE

Flooding and forecast sea level rise will be a major consideration in any redevelopment of the greenspace network, and will be a major determinant of future levels of investment.

According to the 2012 City of Newcastle’s Floodplain Risk Management Study and Plan and mapping and 2017 Strategic Position for the Management of Low Lying Areas report, Carrington is particularly vulnerable to flooding and inundation due to the low lying nature of the area. Ocean flood inundation generally occurs on roadways and low lying parklands within Carrington with generally low level risk to properties. Figure 27 identifies potential for property damage as a result of various flooding events.

The master plan also acknowledges that future potential sea level rise will make drainage issues more significant as well as increasing groundwater levels.

SOURCE: Newcastle City Wide Floodplain Risk Management Study and Plan (BMT WBM 2012), Newcastle City Council Strategic Position for the Management of Low Lying Areas of Newcastle (NCC, 2017)

The position paper proposes a combination of staged worked including floodgates, pumps and levees to protect Carrington in the event climate change causes sea levels to rise above adopted trigger levels.

These actions, and forecast inundation more generally, will need to be considered in relation to any proposed works within the greenspaces network.



Figure 24. Carrington map of proposed works to mitigate flooding and inundation. (Source: Newcastle City Council Strategic Position for the Management of Low Lying Areas of Newcastle (2017))

LAND ZONING

The zones most prominent within this masterplan are the RE1 , E2 , E3 and W2 zones (see legend below). The RE1 Public Open Space zone provides most of the open space. The plan also considers R2 zones in relation to road reserves and greening measures.

Land along the southern and eastern areas of the suburb, zoned SP1 Special Activities, promoting port and other related land uses that benefit from being located close to port facilities (e.g. maritime industrial, freight and bulk storage premises) is out of scope for this masterplan.

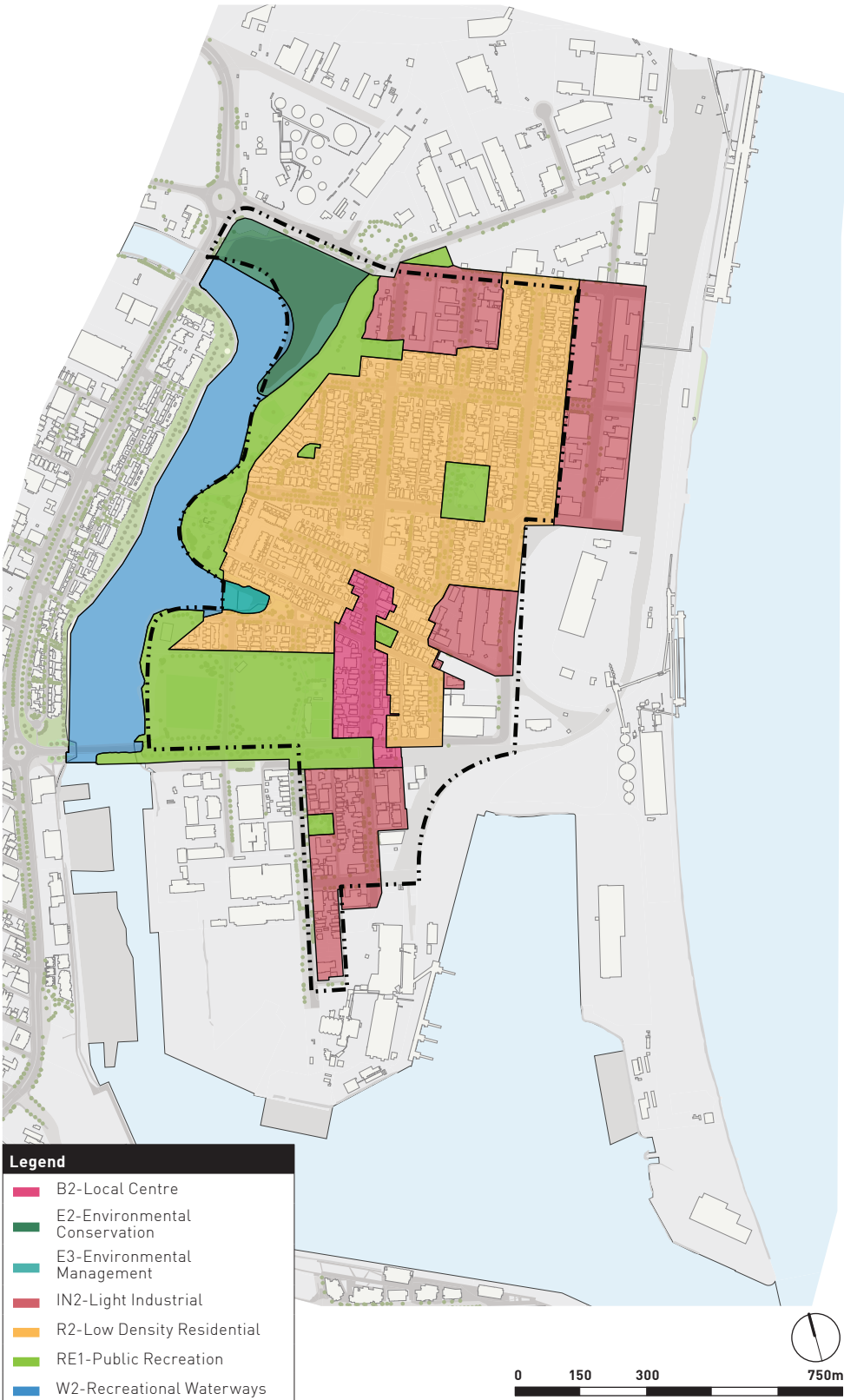


Figure 25. Carrington land Zoning

3.2 CARRINGTON'S GREEN FABRIC

OPEN SPACE DISTRIBUTION

Carrington is well served in terms of open space. It has generous parklands, sports fields, foreshore and waterway access servicing local residents and the broader community.

The foreshore attracts large numbers of people attached to sporting groups such as Newcastle Park Run, Newcastle Rowers, Paddlers, Outriggers, Dragon Boats and learn to sail. The sports precinct comprising of Pat Jordon Oval and Connolly park includes two sports fields, an oval and recently constructed cricket nets. The parks are used for rugby league, cricket, soccer and AFL.

There are four playgrounds located at different parks, all of a local scale. Although the playgrounds are well distributed throughout the community, with the exception of Grahame Park which has recently been upgraded, the remaining play equipment in other parks is largely dated and requires significant maintenance. There are limited inclusive play opportunities within Carrington. Cowper Street Reserve represents a large grassed median with tree planting that provides amenity and recreational opportunity. A number of key publicly accessible areas of open space are not under CN management, notably the boat ramp and foreshore, managed directly by Crown Lands, and the park managed by the Port Authority.

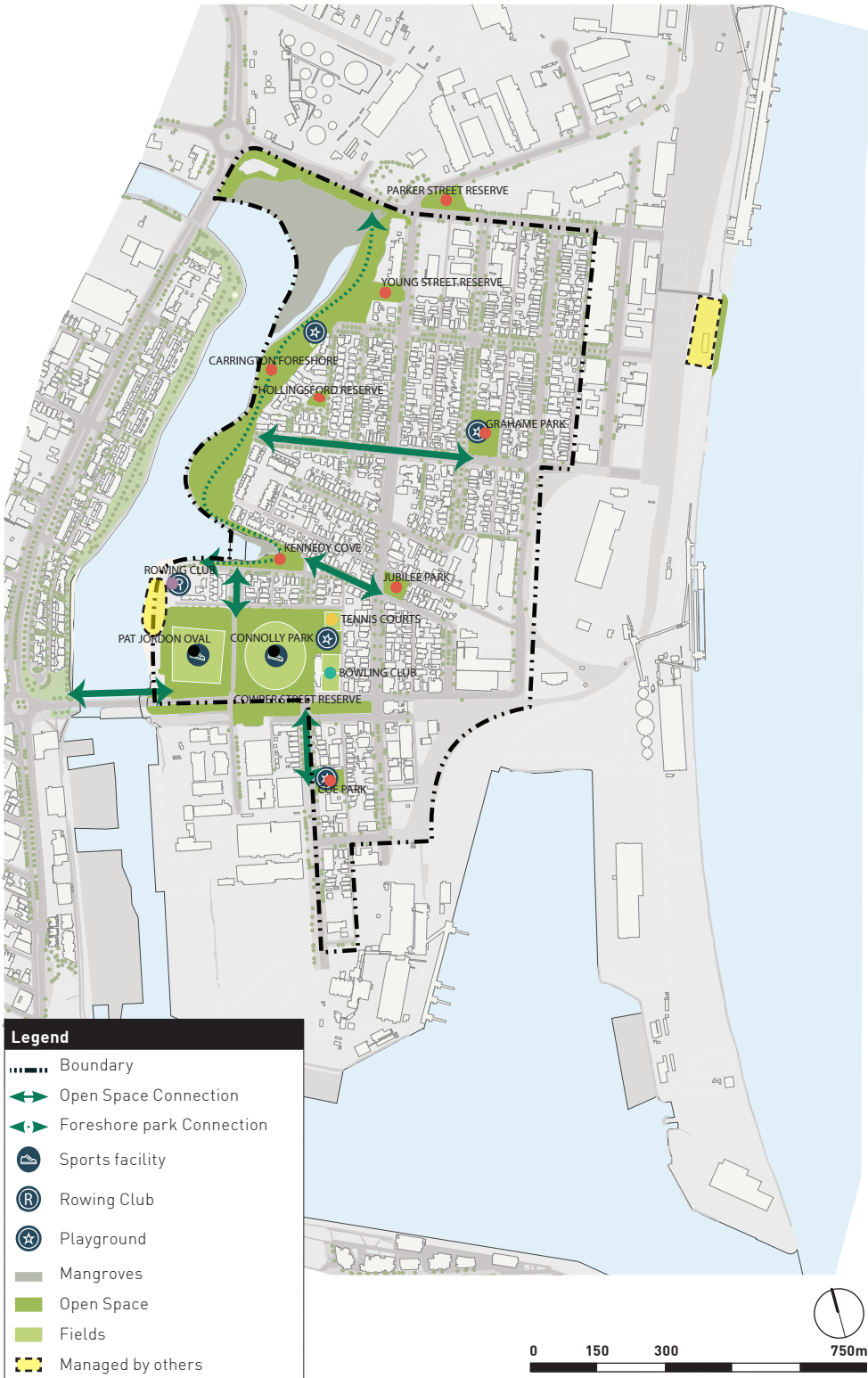


Figure 27. Carrington's existing open space distribution

URBAN CANOPY

Carrington has a varied urban street and open space tree canopy, largely driven by the adjacent land uses and open space functions.

The residential streets generally have a generous tree canopy cover creating shaded, leafy streets.

Streets with wider verges and central medians have larger tree canopy coverage while narrower streets and laneways rely on trees in the private domain for shade and amenity.

Tree canopy cover in the port land use area is virtually non-existent.

Tree canopy in private lots not shown in the diagram (both residential and industrial) provide additional canopy cover. However, this requires further investigation to identify the extent and overall contribution to the total tree canopy cover for Carrington.



Figure 26. Carrington's greenspaces



Figure 28. Existing street with high canopy cover



Figure 29. Carrington's existing urban canopy

WATERWAYS

The waterways are the key identifiable feature of Carrington. Throsby Creek must be crossed via Cowper Street bridge to enter the island suburb with the northern section of the creek instantly recognisable as a recreational waterway. To the south of Cowper Street bridge the creek forms part of the industrial harbour with hard edges providing birth space for large ships and heavy industry. The waterways are lined with varying edge typologies such as parkland, beach, mangroves, ballast walls, residential development and port related heavy industry. They hold a significant role in Carrington’s economic, social, cultural and environmental wellbeing.



Figure 30. Public art in the Throsby Creek along the foreshore.

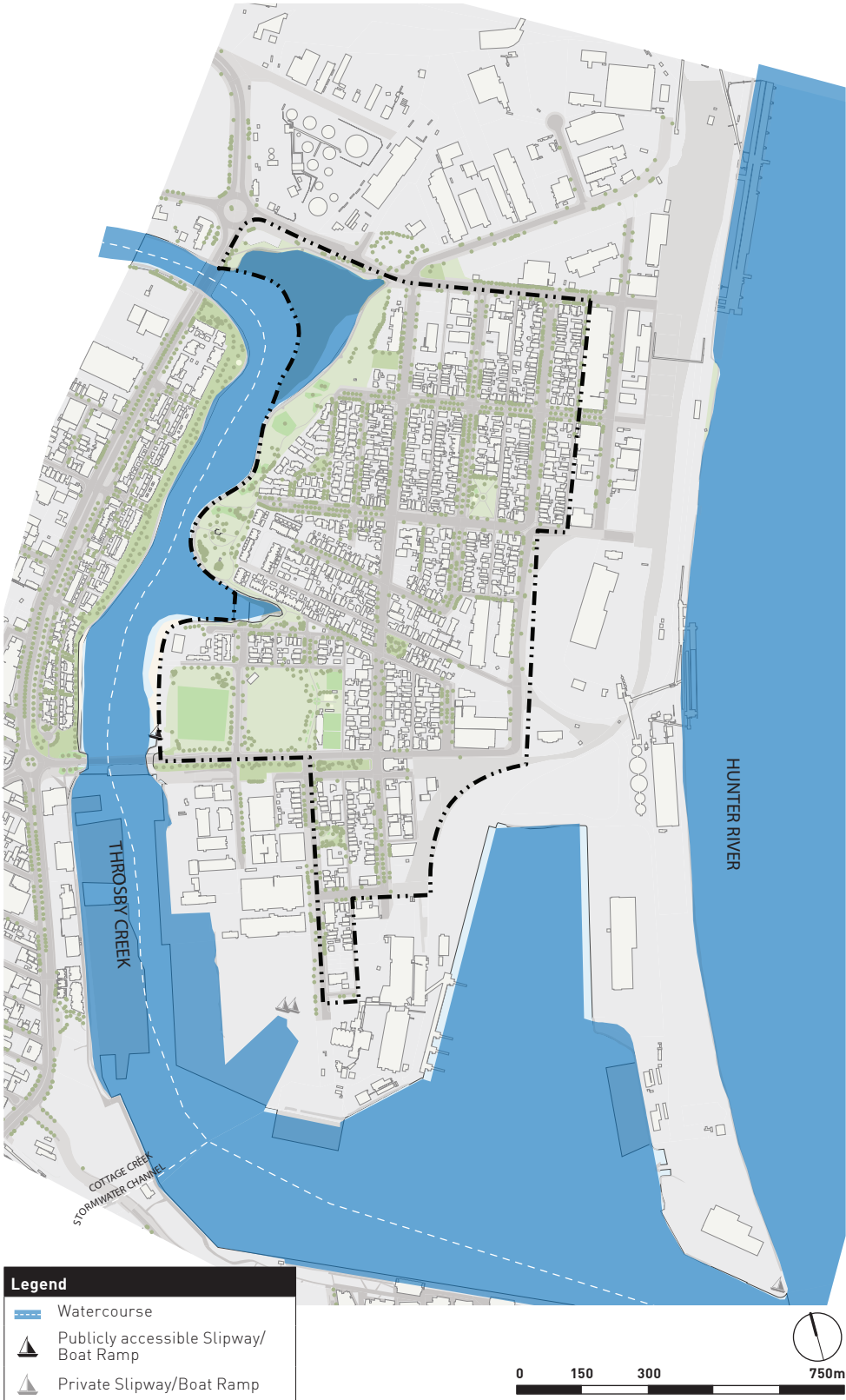


Figure 31. Carrington’s existing waterways

SPORTS FACILITIES

Pat Jordan Oval and Connolly Park are the main sports facilities and form Carrington’s sports precinct. The fields cater for AFL, soccer and cricket, with other sports regularly using the fields for training. A brick amenities building on Connolly Park provides storage, toilets, change rooms and canteen facilities for all the sports. Rowers, paddlers and novice sailors occupy the foreshore adjacent to Pat Jordan Oval. Tennis courts and lawn bowls are situated on the eastern edge of Connolly Park, further emphasising this area as a sports precinct. Comfort and amenity is provided by the shady tree-lined edges of the sports fields suitable for recreational activities such as general exercise, socialising and dog walking.



Figure 32. Carrington’s Connolly Park

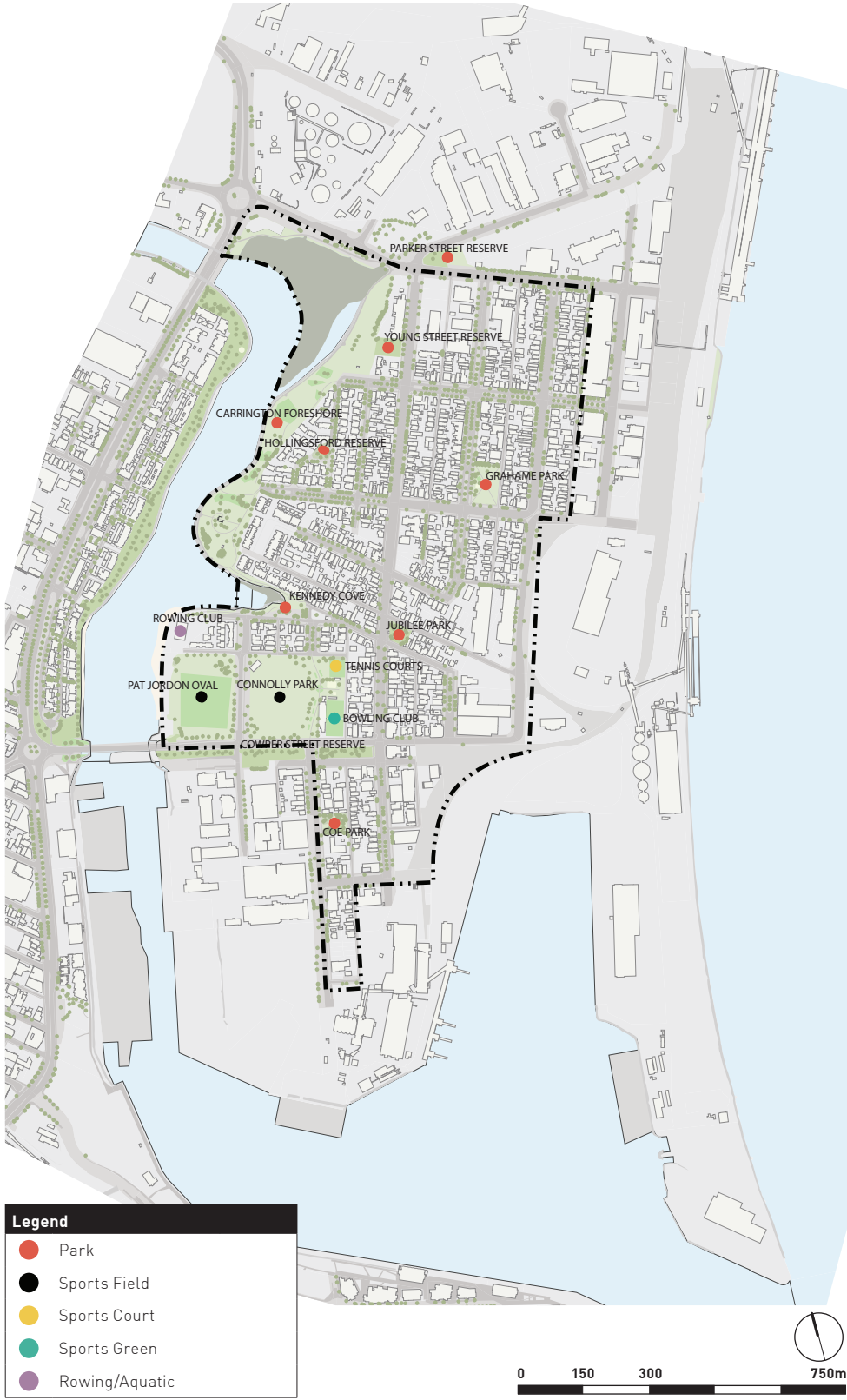


Figure 33. Carrington’s existing sports facilities

3.3 COMMUNITY ENGAGEMENT FINDINGS

The master plan has been informed by substantial community input, gathered through a series of consultations and engagement activities. The involvement and input of community and other stakeholders in the development ensures a sense of shared ownership and a joint commitment to its aims. To ensure community insights were captured, a three phase engagement approach was undertaken.

PHASE 1
Place-based design development – asking the community what’s unique or needs changing in Carrington to help build a set of ideas that will protect and enhance places of importance, improve enjoyment and interaction with the open space areas and ensure Carrington continues to be a place where people want to live, visit and recreate. This phase was delivered through community group workshops, stakeholder meetings, online survey and asset mapping and onsite engagement boards.

PHASE 2;
Design feedback and deliberation – asking the community to confirm what captured and asking for comment on a selection of initial ideas. This phase was delivered through an open house drop in session and online survey where people were able to rank in order of importance the ideas, provide comments and suggest alternative ideas.

PHASE
Public Exhibition – The master plan will be presented to Council and placed on public exhibition for comment in late 2019.

PHASE 1 FINDINGS

WHAT DOES A GREEN SPACE PLAN MEAN TO YOU?	
THEME	DESCRIPTION
Facilities and Amenities	<ul style="list-style-type: none">plan for on water and other sporting facility upgrades
Activities and usage	<ul style="list-style-type: none">allow for a diversity of uses that support co-existenceaddress population growth in neighbouring areas and impacts on Carrington greenspaceidentify places where people can come together and meet and potentially learn
Landscape	<ul style="list-style-type: none">include wildlife habitat and ecological connectionssecure usable open spaces
Access and Links	<ul style="list-style-type: none">improved connectivity and accessibility within, and into, Carringtonimproved bike and pedestrian streetscapescar parking
Other	<ul style="list-style-type: none">outline a coordinated approach that integrates with other agenciesprovide a framework for funding

ONSITE BOARDS AT GREENSPACES		
THEME	COUNT	DESCRIPTION
Facilities and Amenities	51	Infrastructure elements that support comfort. Comments regarding dog park facilities such as bin bag dispensers, water, shade and dog play elements. Comments regarding lighting, especially around the foreshore.
Activities and usage	28	Types of activities that could occur - playground and skate park were mentioned.
Landscape	18	More trees
Green Initiatives	9	Renewable energy and recycling
Access and Linkages	5	Path connections and upgrades



Figure 34. Photos from Phase 1 community group engagement workshops

PHASE 2 FINDINGS

The following table summarises the key ideas that were supported during Phase 2 of the engagement. The table has the top twelve ranked in order of level of support.

PRINCIPLE IDEAS		
THEME	AVERAGE SUPPORT	DESCRIPTION
Landscape	83%	Canopy trees in parks Large trees in our parks are able to provide natural shade. Big canopy trees could be carefully selected to thrive in the unique environmental conditions of Carrington.
Landscape	81%	Verge tree planting Additional street tree planting on verges provides shade, habitat and beautifies Carrington's streets. Gaps can be identified where additional tree planting can occur.
Landscape	77%	Median planting Shaded and appealing 'green' streets through street tree planting have many benefits including reducing heat island effects, increased shade and the promotion of wildlife. One option could be the introduction of additional central medians in wide streets with large canopy tree planting (of appropriate varieties).
Landscape	77%	Green roof habitats Urban areas such as Carrington have an important role in habitat protection through conservation of existing habitats, promoting green infrastructure such as building green roofs for native birds and animals.
Connectivity	77%	Improve navigation Improve the accessibility of Carrington's Streets with new paths and techniques that make it easy to find your way around. Some techniques could include signage, well-structured and connected paths, pavement design, landscaping and iconic landmarks.

PRINCIPLE IDEAS		
THEME	AVERAGE SUPPORT	DESCRIPTION
Carrington Story	70%	Strengthen identity of parks Many of the parks in Carrington have a special history. Using techniques like signage, interpretative elements or smart technologies can better communicate the origins of Carrington's parks and their importance to the community.
Facilities	80%	Improved lighting There was strong support for improving pedestrian lighting along popular walking routes and active spaces to extend the time of use and enhance safety.
Resilience	79%	Solar lighting Improved lighting and the use of light play could be achieved using solar power. As a renewable energy, using solar powered lighting in areas such as the foreshore and in local parks and play spaces is an energy saving and ecologically responsible alternative to standard lighting.
Sports Precinct	71%	Upgraded sports facilities An upgrade to the sporting precinct could include; traffic calming measures, war memorial upgrades, skate street, formal parking and seating terrace. An important part of this upgrade could also include improving the sports buildings, clubhouses and storage.

PRINCIPLE IDEAS		
THEME	AVERAGE SUPPORT	DESCRIPTION
Pocket Parks	69%	Promote community care taking Allow for the community of Carrington to take pride and ownership of their local smaller parks and greenspaces. This idea provides opportunities for the community to tend to the area's gardens and bushlands through community or school run bushcare, gardening and park care programs
Foreshore	75%	Protect mangroves and saltmarsh There's opportunity to increase recognition of the value of these areas through education, storytelling and interactive elements.
Foreshore	68%	Foreshore upgrades The vision could include formal parking, waterfront recreation areas with new facilities and an aquatic sports hub.

3.4 MAPPING OPPORTUNITIES

OPPORTUNITIES AND CHALLENGES

Based on the community engagement findings, analysis of the physical elements of Carrington and background research, the following list of opportunities and challenges have been developed.

Landscape		Connectivity		Parks	
OPPORTUNITIES	CHALLENGES	OPPORTUNITIES	CHALLENGES	OPPORTUNITIES	CHALLENGES
<ul style="list-style-type: none">• plant appropriate trees throughout the streets and parks to enhance shade, canopy coverage and habitat value• use landscaping to complement drainage projects such as rain gardens, bio-filtration swales and basins and screening of engineered stormwater structures• verge gardens and median planting to help ‘green the streets’• build upon the small pockets of native bushland and tree planting to enhance biodiversity and habitat value• encourage landscaping and planting of trees in the private domain• council to take leadership in the promotion of green roofs by installing green roofs on public buildings• introduce a tree management and replacement strategy for aging trees or trees being removed for infrastructure upgrades• improved rainwater infiltration to positively recharge groundwater• select species tolerant to altered inundation of groundwater levels• installation of stormwater infiltration devices in conjunction with mounded tree plantings	<ul style="list-style-type: none">• contaminated soils and high water table will dictate species selection• above and underground utilities in street verges reduces the available space for tree planting and the planting of large canopy species• continual road and infrastructure upgrades will see the removal of large existing trees and the reduction of valuable shade and amenity• cost of ongoing maintenance of trees and weed management• rising saline ground water impacting vegetation	<ul style="list-style-type: none">• improve the connectivity of Carrington to the city and the greater Newcastle area• improve active transport and wayfinding through the streets and open space network• improve connections between the parks, sports fields, commercial core and foreshore through upgraded paths, tree planting and consideration of land acquisition to open up direct corridors• provide lighting to popular recreational trails to increase the usability• maintain and enhance view corridors• provide DDA compliant and equitable access throughout Carrington greenspaces• formalise car parking around greenspaces such as the foreshore, sports fields• improved tree canopy along key desire lines	<ul style="list-style-type: none">• closing off streets to direct heavy vehicles through Carrington creates pedestrian and cycle barriers and a disjointed grid pattern• active heavy rail creates a significant barrier• Carrington’s island nature presents connectivity challenges• overflow parking is impacting on existing trees and creates parking inefficiencies• there is a lack of disabled compliant paths and access points throughout Carrington’s greenspaces	<ul style="list-style-type: none">• increase activation through programming of small community events• provide upgrades to improve facilities that promotes use for all ages and interests• park upgrades to consider how the parks can provide a variety of complementary facilities and uses• promote community caretaking and ownership of the pocket parks to help ensure they are maintained to a high standard• ensure park facilities are safe, equitable and inclusive• increase tree canopy coverage• consider a formalised dog off-leash dog park for Young Street Reserve or within the foreshore• advocate for open space improvements in foreshore areas not managed by City of Newcastle• improved recreational use of the foreshore	<ul style="list-style-type: none">• current lack of seating, shade and park facilities• inequitable access to playgrounds and lack of inclusive play opportunities• lack of complementary park offerings and facilities amongst the suite of pocket parks• lack of knowledge about available pockets parks such as Young Street Reserve and Hollingsworth Reserve• current lack of facilities and formalised access to the foreshore in the vicinity of the boat ramp

Sports Precinct	
OPPORTUNITIES	CHALLENGES
<ul style="list-style-type: none"> • promote the use of the fields and surrounding parkland for day and night use with the inclusion of strategically located lights • better connect Pat Jordan Oval and Connolly Park by converting Fitzroy Street into a slow speed, shared street with safe crossing points • activate the edges of the fields with the inclusion of additional facilities such as a 'skate street', fitness stations, pathways and picnic shelters • formalise car parking to gain efficiencies and protect the existing trees • upgrade amenities buildings to be multi-purpose and cater for the increased female participation in sport • provide comfortable spectator areas and seating • utilise large areas of open space for the planting of large canopy trees such as figs 	<ul style="list-style-type: none"> • the over use of the fields and conflicts between sports places stress on the playing surfaces • lack of disabled compliant access throughout the site • heritage listed memorial gates as an entry to Connolly Park will need to be considered for any proposed upgrade works • fields are in low lying area and susceptible to flooding • dragon boat and outrigger clubs use a portion of Pat Jordan oval for storage • new cricket nets are unlikely to be relocated in any upgrade works • rising saline groundwater impacting turf and plantings

Foreshore	
OPPORTUNITIES	CHALLENGES
<ul style="list-style-type: none"> • establish the Throsby Creek foreshore as the premier open space of Carrington • create recreational opportunities with parkland facilities between the boat ramp and rowing club • create a foreshore parkland that is an extension of Pat Jordan Oval • improve access to the water's edge • upgrade boating facilities and re-locate trailer parking to open up foreshore for recreation • implement measures to capture and manage rubbish entering the Mangroves • create an aquatic sports hub that has the capacity to attract National and State events • extend existing shared path to follow the full length of the foreshore • manage shoreline erosion with measures that still maintain access for aquatic sport users • consider the eastern foreshore's publicly accessible port land for future upgrades and improved access as an alternative foreshore offering 	<ul style="list-style-type: none"> • land and asset ownership / management of foreshore facilities creates issues of poor maintenance and coordinated upgrade works • access to the beach area by multiple users creates capacity issues and conflicts between user groups • informal parking area is inefficient and takes up prime waterfront space • there is a lack of seating and picnicking areas that creates a comfortable waterfront recreational experience • water quality for swimming in Throsby Creek can be poor at times • gross pollutants are trapped in the Mangroves, highly visible and difficult to retrieve • areas of the foreshore have residential development backing onto the open space areas reducing the amount of natural surveillance and perceived safety • multiple land managers of the foreshore

Carrington's Story	
OPPORTUNITIES	CHALLENGES
<ul style="list-style-type: none"> • celebrate Carrington's history through art and interpretation • showcase Worimi and Awabakal stories in places of importance including cultural meeting places for social gatherings, storytelling and education • provide a coordinated art trail through Carrington • strengthen the identity of the parks by communicating their origins and importance • locate gateway entry features that complement Carrington's identity and help instill the community with a sense of place 	<ul style="list-style-type: none"> • current storytelling, public art and interpretation are not well coordinated and appear ad-hoc • ensuring fair representation of the community and historical events

Resilience	
OPPORTUNITIES	CHALLENGES
<ul style="list-style-type: none"> • increase tree canopy coverage to mitigate impacts of heat island effects • consider options to integrate flood protection measures in the open space areas such as raised pathways • research tree species that will withstand increased temperatures, inundation, salinity and contribute to Newcastle's urban forest targets • positive groundwater recharge • stormwater retention/harvesting opportunities, in conjunction with redevelopment of open space 	<ul style="list-style-type: none"> • increasing temperatures will impact on landscaping and general comfort • sea level rise will see more frequent flooding events • contaminated soils throughout Carrington will impact on level of disturbance associated with any upgrade works • rising saline groundwater

3.5 VISION AND PRINCIPLES

VISION STATEMENT

The vision for Carrington greenspaces has been very much driven by the community and stakeholders and represents the aspirations of the people to see Carrington be the best it can be.
The vision for the master plan is to:

Acknowledge and respect the cultural and environmental heritage of Carrington and provide a connected open space network, building upon its unique qualities and identity.

PRINCIPLES

To support the vision a set of guiding principles have been identified that will inform the decision making process and deliver on the objectives of the master plan.

1	2	3	4	5
<i>Preserving and Enriching the Landscape and Recreation</i>	<i>Improving Access and Connections</i>	<i>Respecting and Celebrating People and History</i>	<i>Increasing Safety</i>	<i>Building Resilience</i>
<ul style="list-style-type: none">• promote high quality urban and landscape design that activates the streets, parks and waterways• encourage community caretaking of the parks and gardens• establish well connected biodiversity corridors• protect, preserve and supplement Carrington’s trees to increase canopy cover and habitat value• celebrate Carrington’s unique park identities and origins• through design interventions promote physical activity, socialising and flexible use of the open spaces• provide a diverse range of community spaces and recreational facilities• increased tree canopy in conjunction with other techniques to reduce urban heat island impacts	<ul style="list-style-type: none">• incorporate universal access principles in design interventions and facility upgrades for people of all ages and abilities• provide safe, legible and DDA compliant access throughout Carrington’s greenspaces• implement a network of enhanced pedestrian and cycle links through Carrington connecting the foreshore, parklands and commercial centre• improve the pedestrian permeability of Carrington’s street network to greenspaces• upgrade play facilities to be more inclusive for all ages and abilities	<ul style="list-style-type: none">• provide iconic features representative of Carrington’s past, present and future to instill a sense of pride and place• share knowledge and stories through art, interpretation and meeting places• provide a place that is welcoming to visitors and a place that people want to explore• ensure Worimi and fellow custodians of the ‘country’ are engaged and encouraged to participate in all ideas and design interventions• continue to promote and use dual language throughout the public domain and interpretive elements	<ul style="list-style-type: none">• integrate crime prevention through environmental design (CPTED) principles• maintain and enhance passive surveillance• encourage day and night time activation of the parks and open spaces to increase visitation and passive surveillance• ensure popular pedestrian paths are well lit• provide safe pedestrian and cycle crossing points across main roads to open space areas• upgrade facilities to relevant Australian standards to mitigate public health and safety risks• consider slow speed infrastructure options for streets adjacent to parks	<ul style="list-style-type: none">• respond to climate change risks such as flooding, increased temperatures and rising groundwater• creatively approach drainage with Water Sensitive Urban Design (WSUD) to support protection of waterways and foreshore edges• promote renewable sources of energy for public assets• embrace smart technologies• create adaptive spaces in conjunction with defensive techniques in regard to sea level rise and flooding• promote strategies that reduce the Urban Heat Island effect by increasing tree canopy cover, reducing hard surfaces and promoting green/cool coloured/reflective roofs• integrate outcomes of the NCC strategic position for the management of low lying areas of Newcastle as required

4.0 THE MASTER PLAN

'Preserving historical and unique features should be a priority rather than allowing the features to disappear and be replaced by signage' - Community member



Figure 35. Grahame Park, Carrington

4.1 OVERVIEW

The master plan is split into six themes, developed through the findings of the community engagement, analysis of the physical elements of Carrington and background research.

Note that the actions identified in the Master plan are currently unfunded, and will be considered against council’s overall priorities for the City. Redevelopment opportunities are conceptual only and will be subject to detailed design.



Landscape



Connectivity



Parks



Foreshore



Sports Precinct



Carrington’s Story



Figure 36. Carrington overall combined concept plans

4.2 THE THEMES

LANDSCAPE

Landscape will play an important role in the overall liveability of Carrington (it will help mitigate impacts from climate change). Building a more resilient Carrington to climatic changes such as increased urban heat island. Carrington’s landscape character is a leafy suburb nestled amongst heavy industry and surrounded by water. Maintaining and enhancing the landscape character is of high priority and is the basis for the following recommendations.

The following initiatives are guided by the overarching vision and principles, which are identified by the numbered icons below:

1	Preserving and enriching the landscape
2	Improving access and connections
3	Respecting and celebrating people and history
4	Increasing safety
5	Building resilience

CARRINGTON WIDE OPPORTUNITIES

- 1.1

Analysis of canopy cover within Carrington as part of the future city wide assessment of trees.

15
- 1.2

Identify tree canopy targets and species suitable to future climatic conditions and existing soil and ground water profiles.

15
- 1.3

Undertake a drainage assessment to ascertain opportunities to implement WSUD measures such as rain gardens, bio-filtration swales and basins in the streets, parks and storm water drainage outlets.

15
- 1.4

Consider a ‘Green Grid’ network of trees and gardens in the streets and parks. Locate large canopy trees on wide streets that have the capacity to accommodate space for root zones. This could include the introduction of central medians and planting of trees in parking lanes. Narrow streets shall have small canopy.

15
- 1.5

Promote the planting of trees in the private domain by providing incentives and educational material about the importance of trees in our city in regard to overall liveability and health.

15

SITE SPECIFIC OPPORTUNITIES

- 1.6

Seek opportunities to co-locate water infiltration devices to assist the success of tree plantings.

15
- 1.7

Consider preemptive installation of mounding in conjunction with tree planting.

15
- 1.8

Consider installation of green roofs and vertical gardens on existing and future public buildings such as sports amenities buildings, bus shelters, toilets and commercial properties.

15



Figure 37. Carrington’s Landscape

CONNECTIVITY

Although a peninsula, historically Carrington has maintained its connections to the city. Bridges, trams, ferry services and roads have come and gone through the development of Carrington. The Aboriginal groups that relied upon, and were connected to, the mangrove lined mud flats, creeks and river prior to European settlement were displaced. Maintaining and re-establishing physical, social and emotional connections is a key focus of the following list of recommendations. The following initiatives are guided by the overarching vision and principles, which are identified by the numbered icons below:

1	Preserving and enriching the landscape and recreation
2	Improving access and connections
3	Respecting and celebrating people and history
4	Increasing safety
5	Building resilience

CARRINGTON WIDE OPPORTUNITIES

2.1 Incorporate new street verge paths and upgrade existing to follow the 'Green Grid' network to provide comfortable links throughout Carrington.

1 2 5

2.2 Install a combination of on road and off road cycle paths that link points of interest throughout Carrington. The network of paths is to connect with existing and proposed cycleways for the city as outlined in City of Newcastle cycle strategy.

2

2.3 Undertake a safety and compliance audit of the existing pedestrian lights along popular paths within the open spaces. Install pedestrian lights along the foreshore paths to enable night time use of a popular loop trail.

2 4

2.4 Provide a suite of wayfinding measures to help better navigate people around Carrington. These measures could include markers, signs, points of interest, opening up vistas.

2 3

2.5 Ensure disability and accessibility compliance in conjunction with public domain works.

2 4

SITE SPECIFIC OPPORTUNITIES

2.6 Upgrade the existing path to a formal shared pathway. Consider pre-emptive installation of levee in conjunction with works.

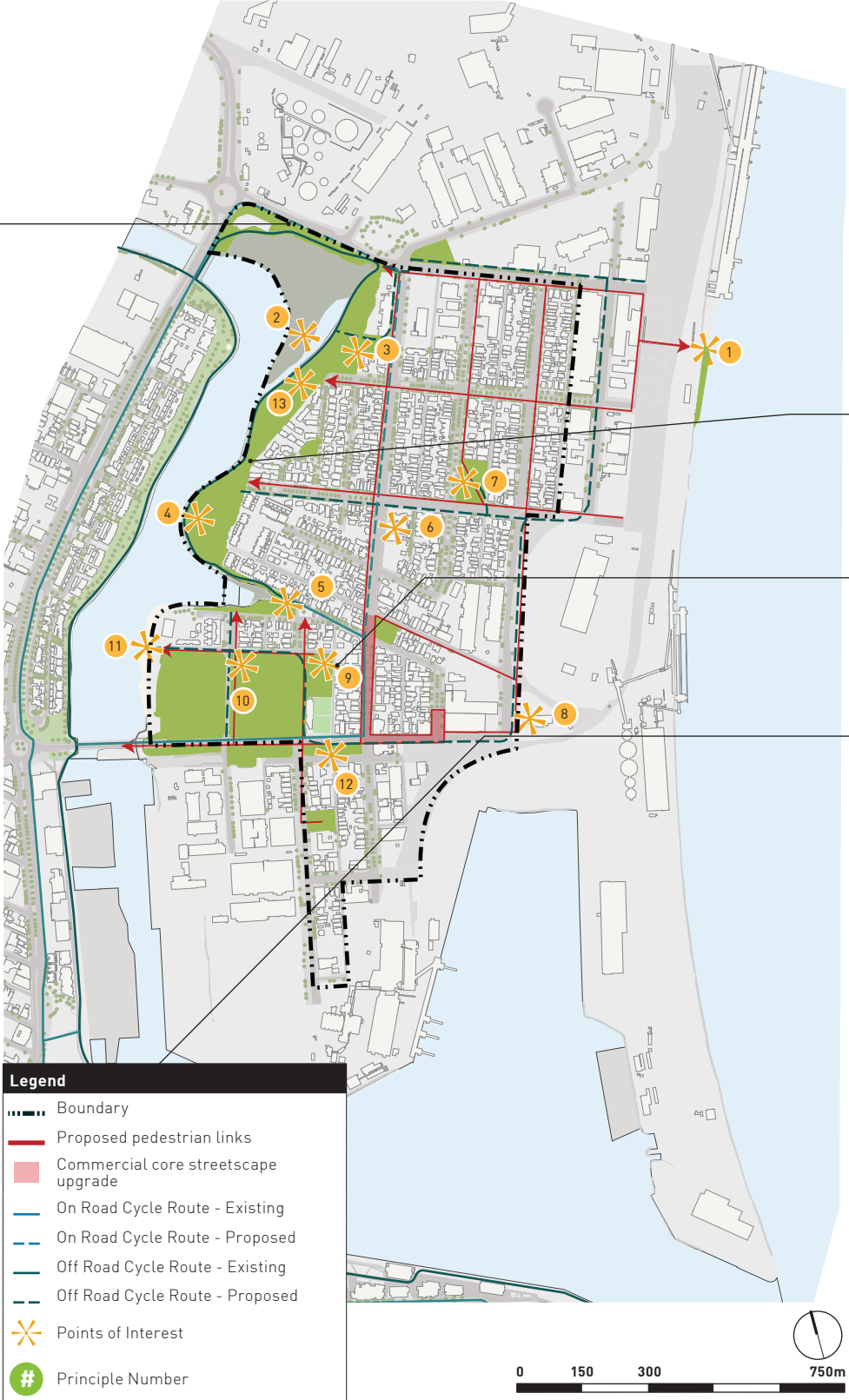
2

2.7 Investigate opportunities to improve active transport connections between the commercial core, parks, sports precinct and foreshore.

2

2.8 Create a connection from Bathers Way into Carrington as a continuation of the popular beach to city walk.

2



Points of Interest	
1	Port owned publicly accessible greenspace
2	Mangrove Boardwalk
3	Proposed fenced dog off-leash
4	Carrington Hill
5	Kennedy Cove
6	Carrington Primary School
7	Grahame Park
8	Pump House
9	Playground, Tennis Courts and Bowling Club
10	Sports Precinct
11	Aquatic Sports Hub
12	Cowper Street Celebratory Walk
13	Possible Cultural Meeting Place

Figure 38. Carrington's Connectivity

POCKET PARKS

The pocket parks of Carrington are unique in character and typology. They each have a slightly different function and are used by the community for different reasons. With small lot developments and limited backyard space, pocket parks play a critical role in providing recreation for all ages and abilities. The key focus of the following recommendations is to ensure the pocket parks provide a complementary suite of functions and experiences and have optimal recreational value. The following initiatives are guided by the overarching vision and principles, which are identified by the numbered icons below:

1	Preserving and enriching the landscape and recreation
2	Improving access and connections
3	Respecting and celebrating people and history
4	Increasing safety
5	Building resilience

SITE SPECIFIC OPPORTUNITIES

Parker Street Reserve

- 3.1 Maintain as a small pocket of bushland and implement a weed management strategy.
- 3.2 Incorporate a feature as part of a northern gateway entry experience.
- 3.3 Encourage community caretaking of the park through signage, school programs and community groups.

1 3

Hollingsford Reserve

- 3.4 Selectively prune / remove vegetation to open up sight lines through the park and include inviting entry points.
- 3.5 Provide shelter and seating to encourage small gatherings.
- 3.6 Encourage community caretaking of the park through signage, school programs and community groups.

1 2 4

Grahame Park

- 3.7 Make adjustments to the playground to improve accessibility. The current upstand kerb and mulch softfall does not allow for equitable access. Refer to the NSW Government Everyone Can Play Guidelines for any future playground upgrades.
- 3.8 Install park seating and shelters to cater for larger groups of people.
- 3.9 Plant trees to increase canopy cover, contributing to the urban forest and providing shaded places to recreate.
- 3.10 Install pedestrian path lighting along the internal paths.
- 3.11 Provide water points and drinking fountain.

1 4

Jubilee Park

- (Refer Concept Plan on Page 31)**
- 3.12 Undertake a detail design of Jubilee Park Concept Plan to create an 'urban square' where small-scale temporary markets or pop-up food stalls can be located to improve the vibrancy of the Young Street commercial core. This may include the installation of toilets and large shelters.
- 3.13 Consider the decommissioning of the public art furniture and install a suite of contemporary custom furniture that still reflects Carrington's identity.
- 3.14 Install park lighting.

1 2 3 4

Cowper Street Reserve

- (Refer Concept Plan on Page 32)**
- 3.15 Long term consider the reconfiguration of the roads, parking, pedestrian paths, street crossings and landscaping to create an activated space that provides opportunities for temporary and permanent alfresco dining areas or street markets.
- Consider:
- 3.16 Gateway feature that represents Carrington's history and identity and provides a welcoming gesture to visitors.
- 3.17 'Historic walk' along Cowper Street Reserve to entice people to engage with the space and learn about Carrington's unique history.
- 3.18 An 'Avenue of Trees' to enhance amenity and aesthetics of Carrington's main entry and contribute to the urban forest strategy.

1 2 3 4



Figure 39. Carrington's Parks

CONCEPT IDEA 1 - JUBILEE PARK

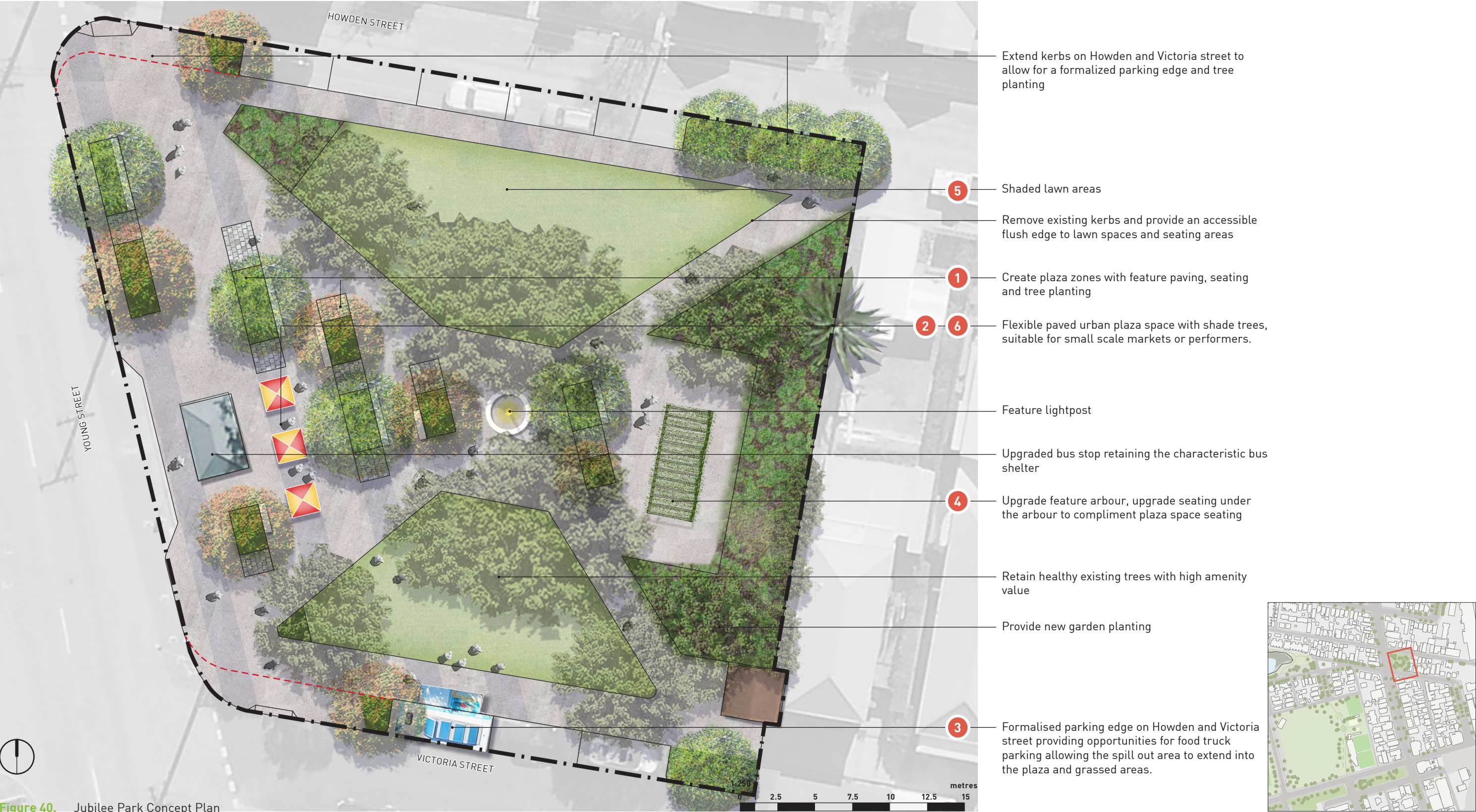


Figure 40. Jubilee Park Concept Plan

JUBILEE PARK PRECEDENTS



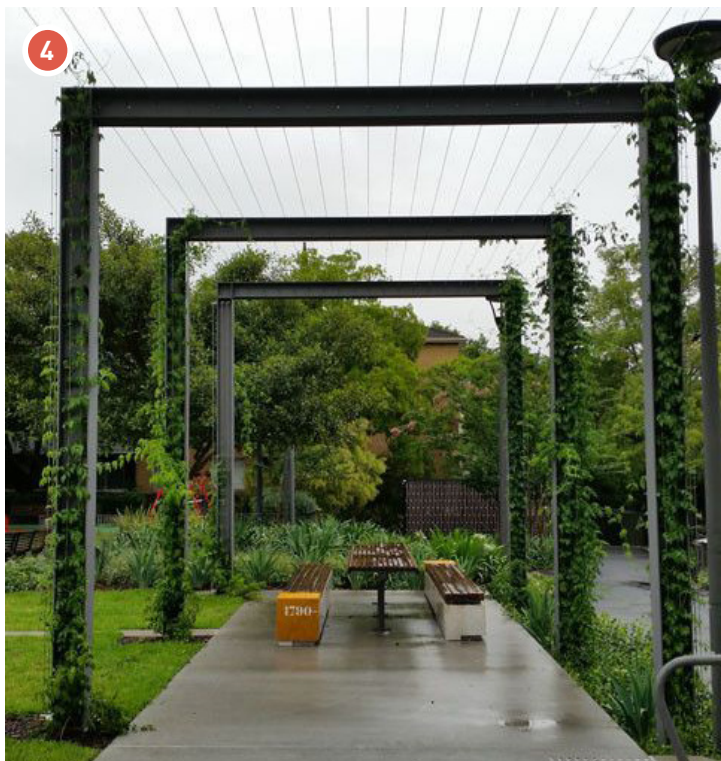
Shaded plaza seating (Centenary Square, Parramatta)



Small market space (Centenary Square, Parramatta)



Food truck spill out area



Park feature arbour (Foley Park, Glebe)



Shaded grassy areas for spill out and relaxation (City Square, Melbourne)



Flexible plaza space (Centenary Square, Parramatta)

COWPER STREET RESERVE - OPPORTUNITIES AND IDEAS FOR THE FUTURE

- 1

New formalised boat trailer parking and car parking protecting trees from damage and encouraging healthy growth.
- 2

Shaded pedestrian access under an avenue of trees improving amenity.
- 3

Prominent gateway feature providing welcoming gesture for pedestrians and vehicles entering Carrington.
- 4

Alfresco plaza. Paved area with trees providing outdoor eating area for potential future businesses
- 5

Formalising Cowper street tree planting, parking bays and narrowing of travel lanes creating a more pleasant pedestrian environment.

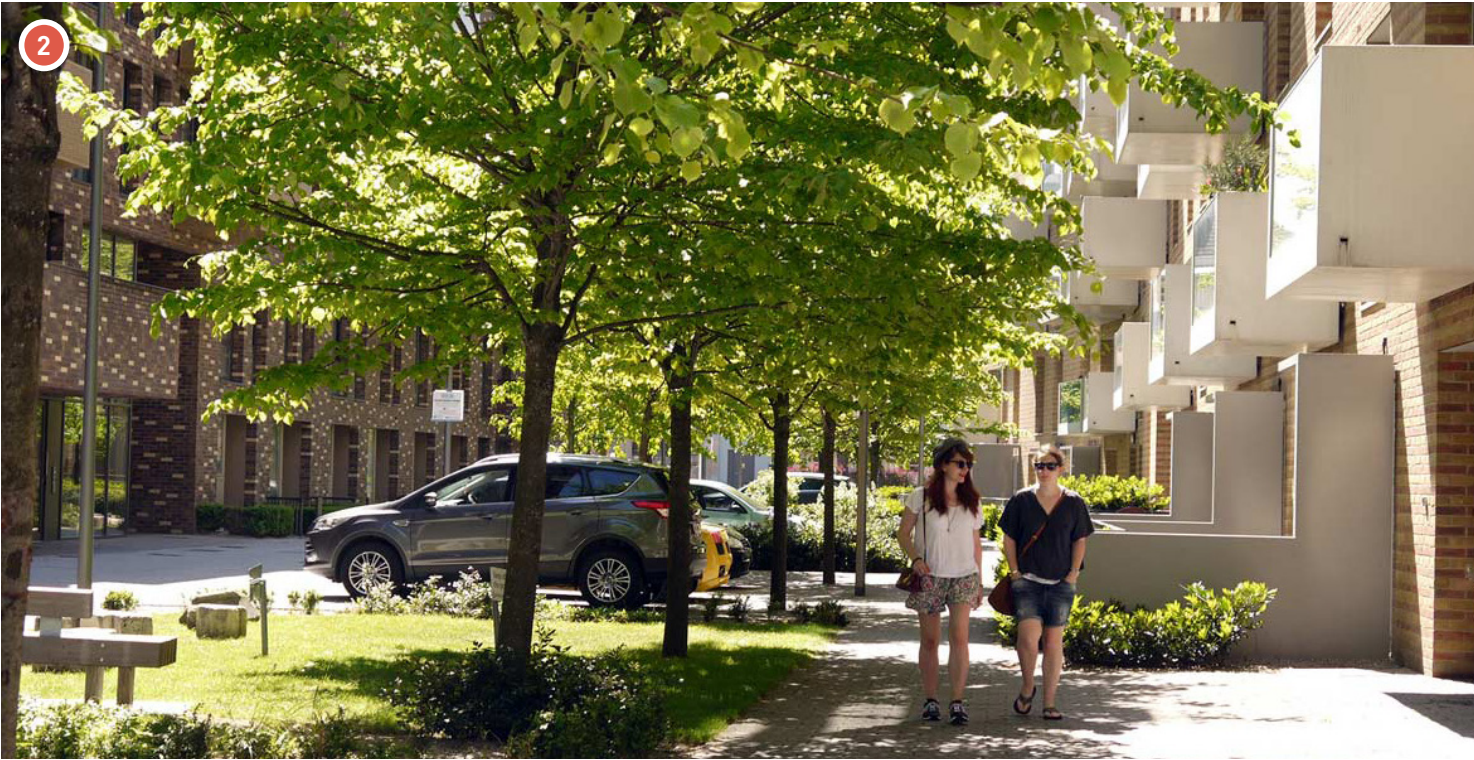


Figure 41. Cowper Street Reserve Opportunities
32

IDEAS TO CONSIDER FOR COWPER STREET RESERVE



Formal car park with tree planting, line marking and wheel stops



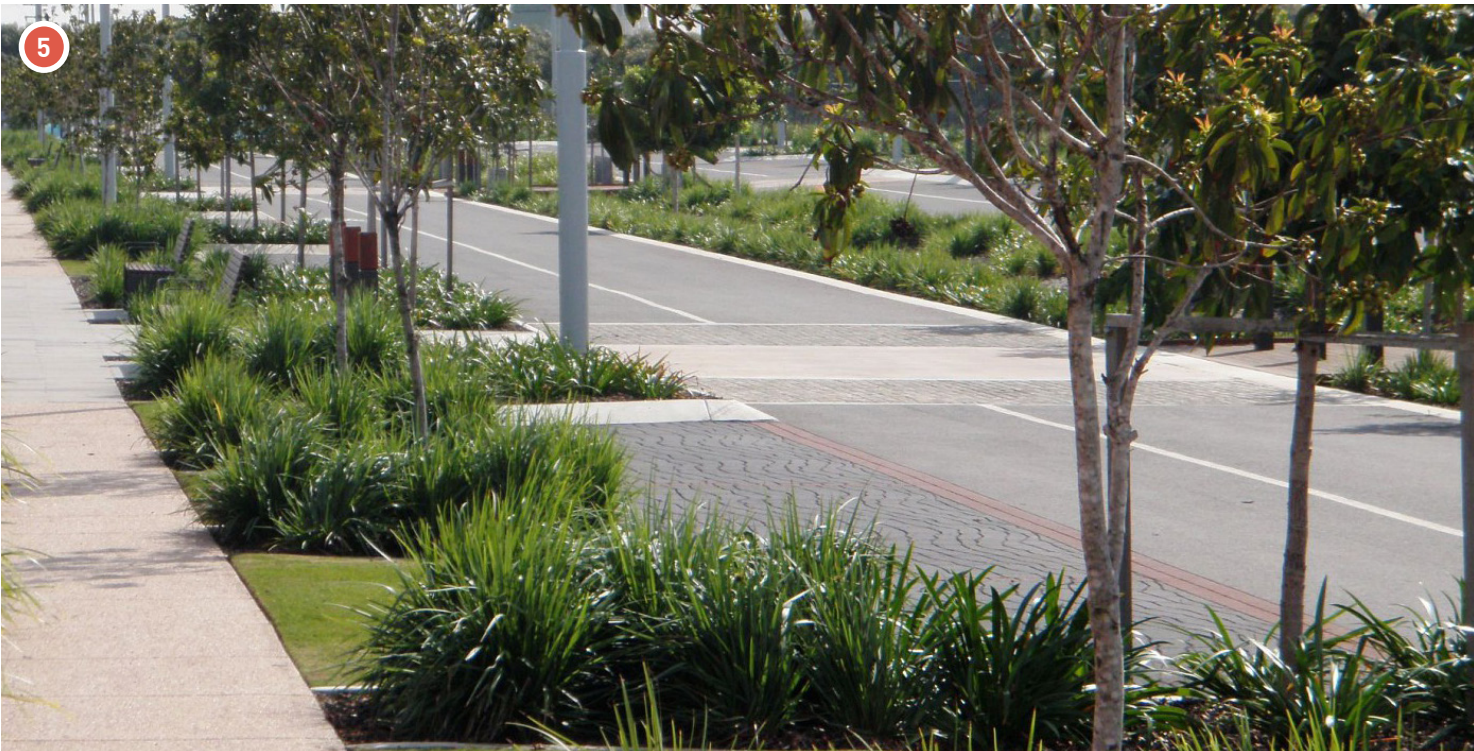
Shaded pedestrian access under an avenue of trees



Pembroke Pines Pavilion gateway sculpture by Brooks Scala Architects (Pembroke Pines, USA)



Alfresco dining plaza (Te Kaitaka Plaza, New Zealand)



Formal street parking (Port of Brisbane, Brisbane)

FORESHORE

The Foreshore is Carrington’s ‘jewel’. It is a highly activated, multi-purpose space used by locals, visitors, sporting and social groups. The rowing club facility is the centerpiece for aquatic sports in Newcastle and there are aspirations for Carrington to become Newcastle’s premier aquatic sports hub, attracting major events. The foreshore is a popular walking and cycling section of a wider network of paths and loop trails offering pleasant amenity and opportunity to be amongst the mangroves. The listed recommendations are designed to see the foreshore meets its full potential and remains the premium open space and recreational asset for Carrington and the wider community.

The following initiatives are guided by the overarching vision and principles, which are identified by the numbered icons below:

1	Preserving and enriching the landscape and recreation
2	Improving access and connections
3	Respecting and celebrating people and history
4	Increasing safety
5	Building resilience

SITE SPECIFIC OPPORTUNITIES

4.1 Consolidate the existing network of paths and create a legible hierarchy of paths that accesses points of interest along the foreshore and limits conflicts between pedestrians and cyclists.

1 2

4.2 Implement measures to protect the mangroves from rubbish becoming entrapped

1 5

4.3 Install a fenced off-leash dog park extending from Young Street Reserve to the foreshore.

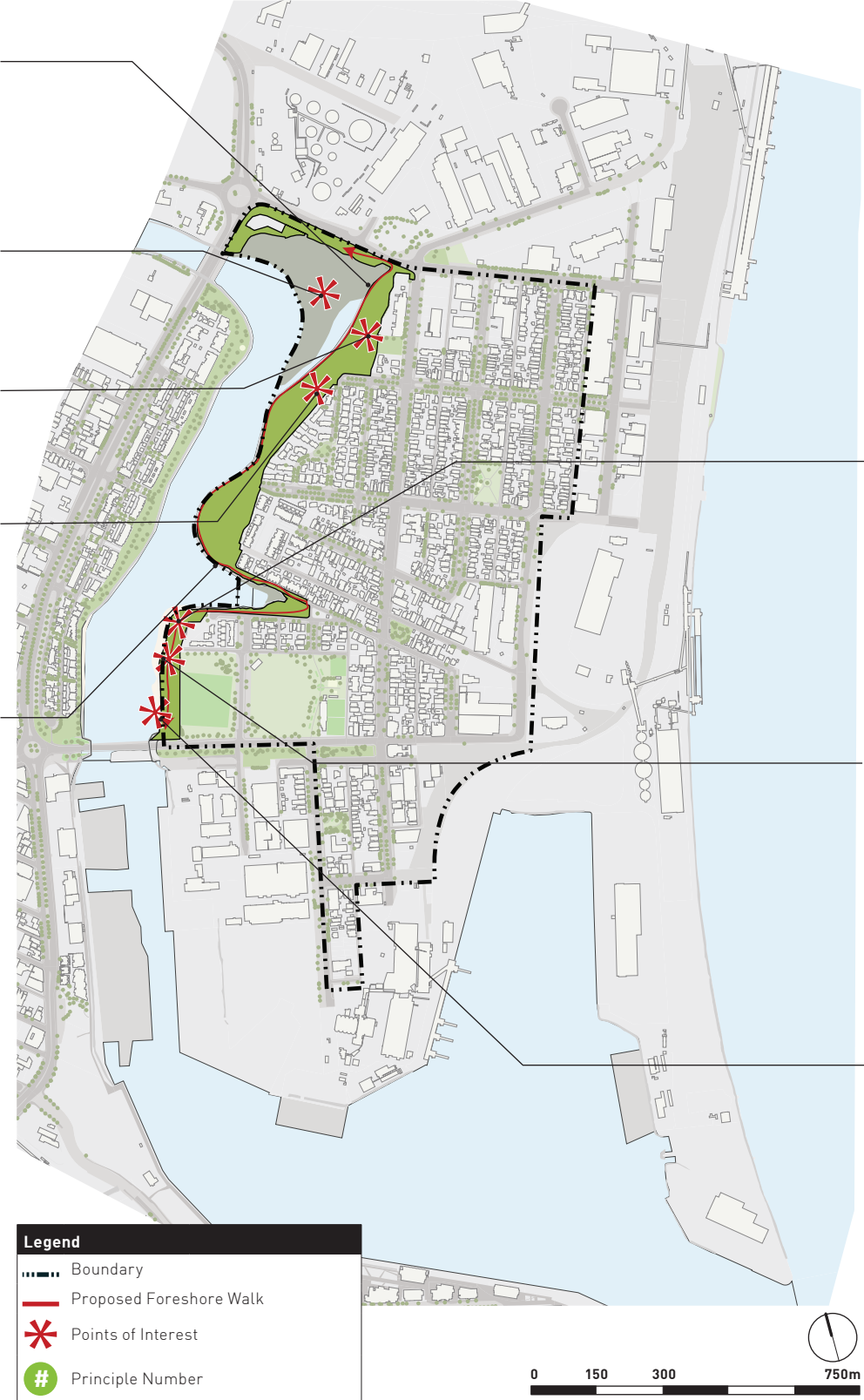
1 2 4

4.4 Remove existing play equipment and relocate to more activated and visible location along the foreshore. Locations could include adjacent to the cultural meeting place or near the aquatic hub.

1 2 3 4

4.5 Provide lighting along the full length of path along the foreshore from Cowper Street Bridge in the south to Elizabeth Street roundabout in the north.

1 4



OPPORTUNITIES BY OTHERS ON LAND NOT MANAGED BY CITY OF NEWCASTLE

4.6 Work closely with the rowers and paddlers organisations to design an ‘aquatic hub’ that improves the experience for local competition, training and recreational users accessing Throsby Creek and the facilities. Upgrades should be to a standard where the hub is accredited to hold state and national title events.

1 2

4.7 Redesign space between Pat Jordan Oval and Throsby Creek beach to create a water-edge park including a waterplay space, picnic shelters, BBQs, tree planting, infrastructure for food vans, shaded grass seating areas, disabled beach access, formalised parking, toilets and connections to the aquatic hub and Pat Jordan Oval. Upgrades are subject to future consultation and management with land owners and stakeholders.

1 2

4.8 Upgrade boat launching facilities to include a floating pontoon, dedicated boat preparation / wash down area and improved boat trailer parking area.

1 2

Figure 42. Carrington’s Foreshore

CONCEPT IDEA 2 - FORESHORE NORTH



Figure 43. Foreshore North Concept Plan



Foreshore art trail along the foreshore walk. (Sculptures by the Sea, 2017)



Recreational wharf (Taylors Wharf, Northern Beaches Council)



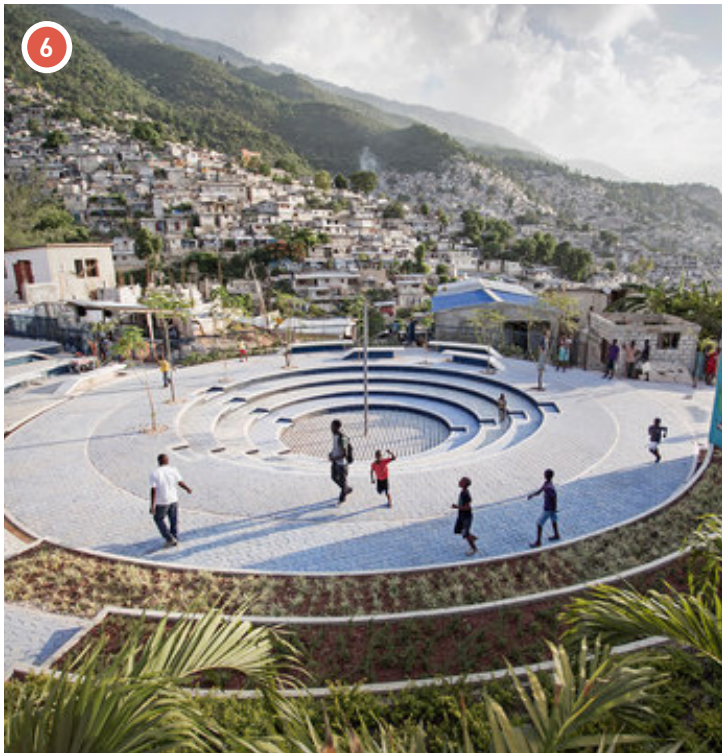
Publicly accessible environmental drainage feature. (Washington Lane Rain garden, Philadelphia)



Sealed share-path with seating, lighting and other amenities (Bathers Way)



New themed playground (Bussleton Playground, WA)



Cultural meeting place



Community Plaza (Richmond Terrace, Melbourne)



Fenced dog off leash area (Bungarribee, Sydney)

SPORTS PRECINCT

Carrington has long history of sport. The sporting precinct not only caters for sport but is widely used by the community for general recreation. The adjacent playground and community gardens provide an alternative use and the ovals are often used for dog walking and general exercise. Supporting facilities are to be equitable and inclusive and cater for all abilities. The following recommendations are designed to uplift the sporting precinct to better serve its users.

The following initiatives are guided by the overarching vision and principles, which are identified by the numbered icons below:

1	Preserving and enriching the landscape and recreation
2	Improving access and connections
3	Respecting and celebrating people and history
4	Increasing safety
5	Building resilience

SITE SPECIFIC OPPORTUNITIES

Refer to Sports Precinct Concept on next page for following initiatives:

5.1 Upgrade amenities building in Connolly Park to be disabled accessible and gender equitable. The amenities building should be upgraded to enable co-location of all sports using the facilities and provide space for alternative operations such as functions.

1 2

5.2 Install perimeter paths around the sports fields to encourage exercise and a safe environment for children to ride bikes.

1 2 4

5.3 Reduce the width of Fitzroy Street, install formalised parking, landscaping and put in measures to slow down vehicles to create a 'shared street' environment that better connects Pat Jordan Oval and Connolly Park, creating a cohesive sporting precinct.

1 2 4

5.4 Incorporate a 'skate street' space along the edge of Connolly Park. The 'skate street' will be a paved urban plaza style space with low key skateable furniture and walls. Picnic shelters and seating offer a place for parents or carers to supervise younger participants. The 'skate street' will be designed as a flexible space not purely dedicated to skating.

1

5.5 Upgrade the War Memorial Gates to create an evocative entry into Connolly Park and a space where ceremonies can be held safely and comfortably.

1 3



5.6 Upgrade the playground to be an all-inclusive play space adhering to the NSW Government Everyone Can Play Guidelines including the provision of closely located car parking, supporting amenities and a range of play experiences for all ages and abilities.

1 2 4

5.7 Install spectator view / seating areas around the perimeter of Pat Jordan Oval and Connolly Park.

1

Figure 44. Carrington's Sports Precinct

CONCEPT IDEA 3 - SPORTS PRECINCT

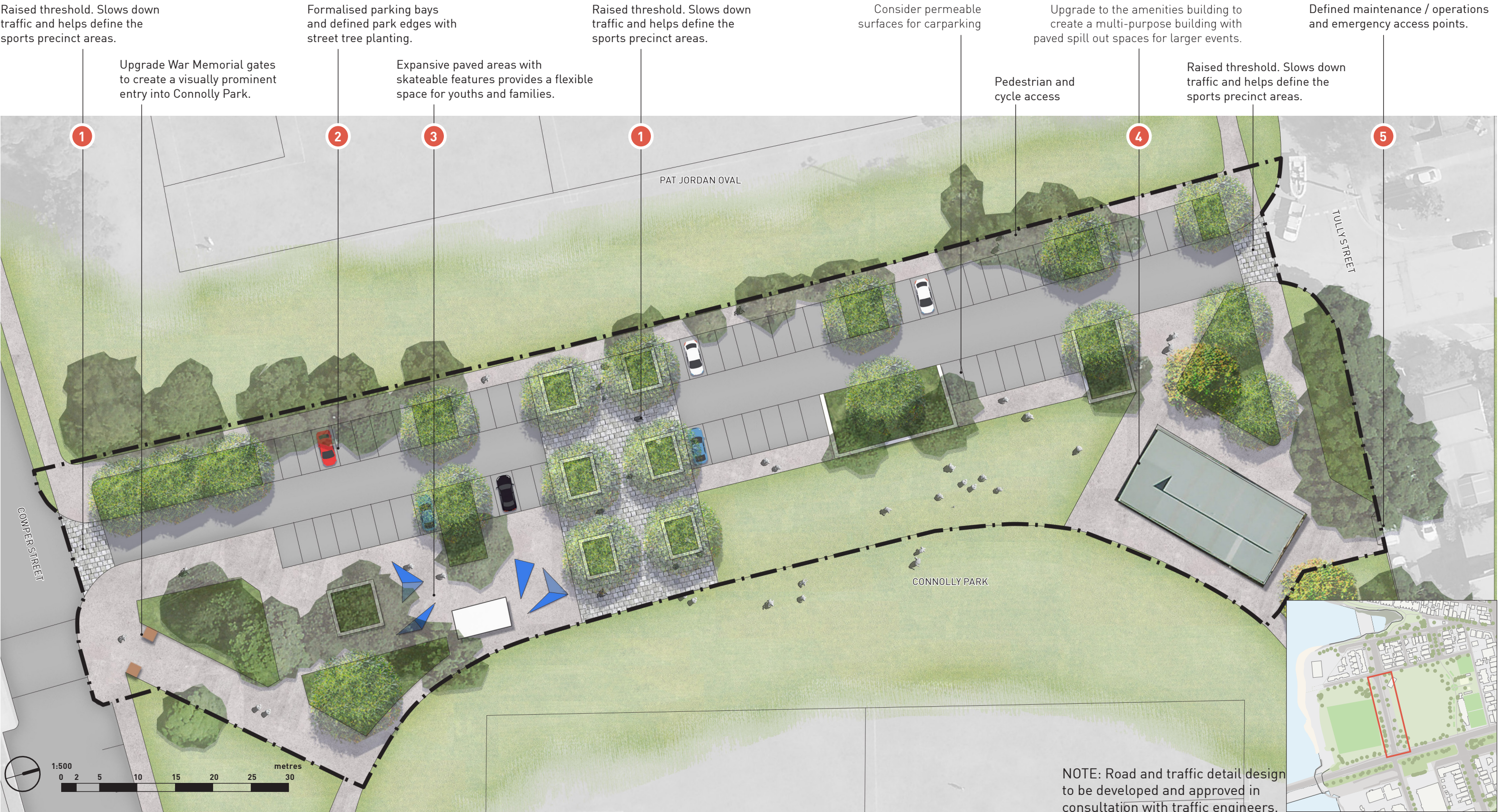
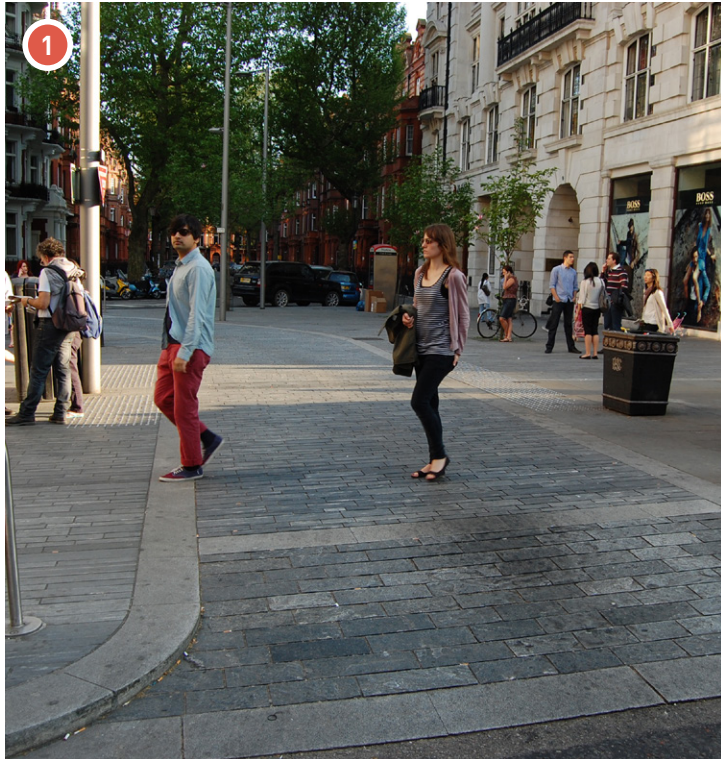
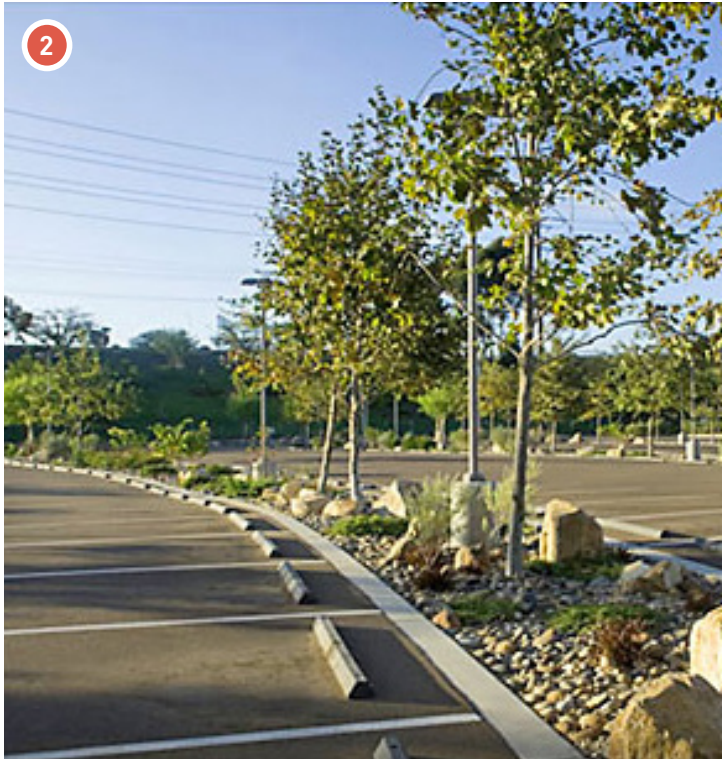


Figure 45. Sports Precinct Concept Plan



Raised crossing threshold



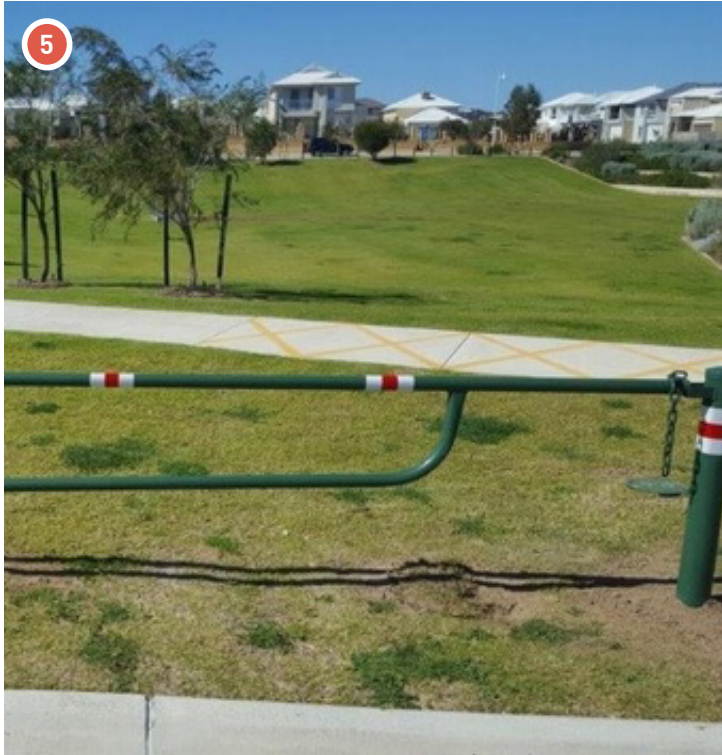
Formal carparking bays with tree planting



Skate street area (Charlotte Ammundsens Square, Copenhagen)



Upgraded amenities building with even area (Rockley Oval, Googong)



Maintenance/operations and emergency access.

CARRINGTON'S STORY

Carrington has a unique story to tell. Aboriginal groups have a narrative about their 'country' and culture influenced by the tidal river and low lying mangrove flats that formed a chain of small 'islands' at low tide that is now the location of Carrington. European settlement of Newcastle built around a convict outpost and the discovery of coal saw the need to create a port facility that would become Carrington. Built by ship ballast and dredging of the harbour Carrington is literally built by layers of rock from all over the world to create the 'island' suburb. From the early days of hardship and struggle to the much loved suburb that is known today, there are numerous stories to be uncovered in creative and thought provoking ways which the following recommendations aim to do.

The following initiatives are guided by the overarching vision and principles, which are identified by the numbered icons below:

1	Preserving and enriching the landscape
2	Improving access and connections
3	Respecting and celebrating people and history
4	Increasing safety
5	Building resilience

CARRINGTON WIDE OPPORTUNITIES

- 6.1 Carrington 'Art Trail' – Consider an 'Art Trail' that creatively depicts the narrative of Carrington. Work closely with the community to determine the important stories to be told as well as engage and encourage local artists to participate. 2 3
- 6.2 In conjunction with the above art trail provide an interpretative overlay through signage, markers, highlight prominent historical landmarks, etc. 2 3
- 6.3 Working with Worimi and Awabakal communities to undertake a dual language study to ensure all interpretive elements and signs incorporate the local language and stories. 2 3

SITE SPECIFIC OPPORTUNITIES

- 6.4 Working with local Aboriginal groups investigate a suitable location and options for a cultural meeting place to enable the continuation of culture and education to ensure visitors to Country have a greater understanding of the land they are visiting. 1 3
- 6.5 Install gateway features at the entrance to Carrington that reflects Carrington's unique character and history. The features should be able to be appreciated from passing vehicles and pedestrians. The gateway features form part of a Cowper Street historical walk that could depict people and events that have shaped Carrington. 2 3

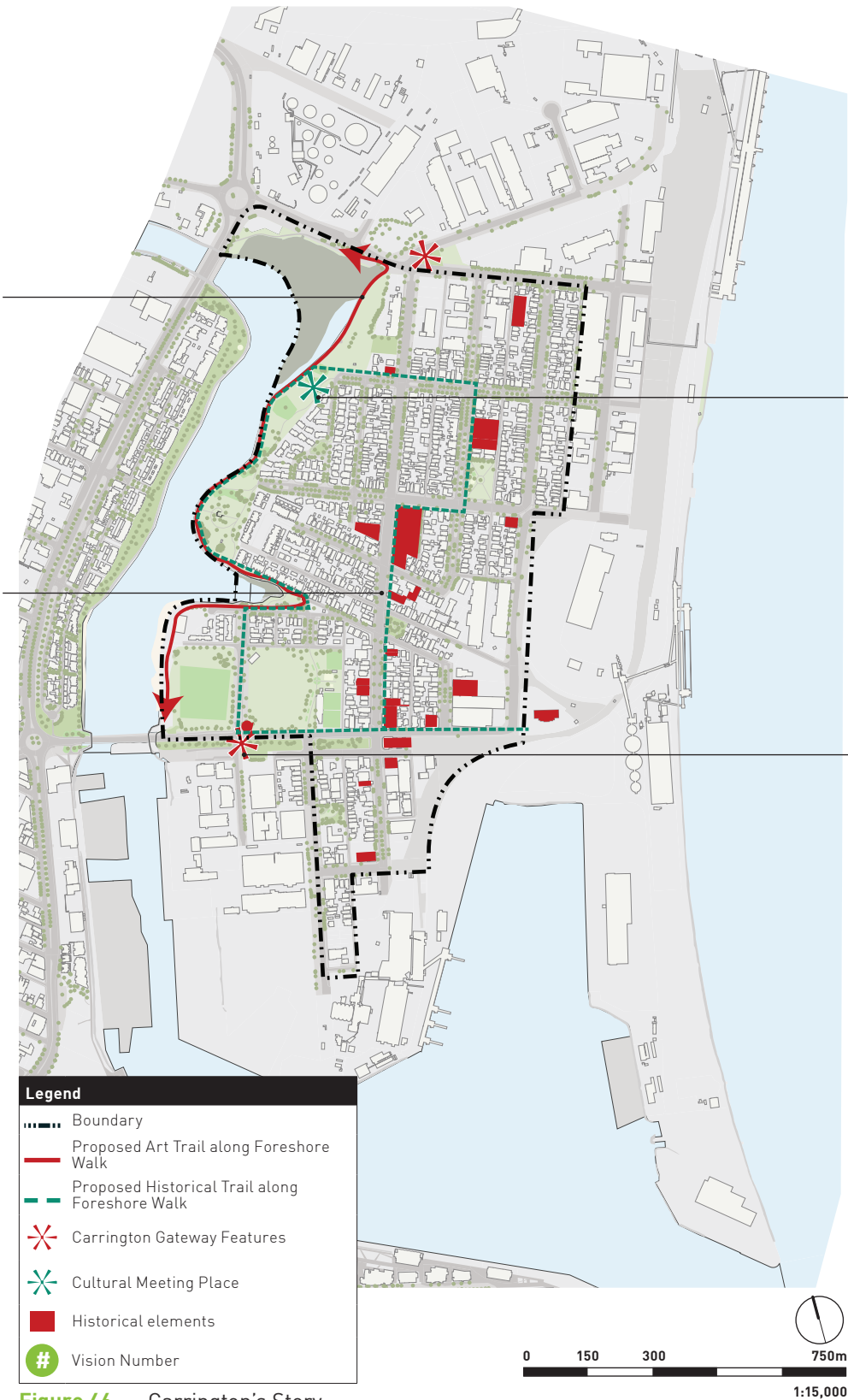


Figure 46. Carrington's Story

5.0 DELIVERING THE MASTERPLAN

Probably the most important issue affecting Carrington residents presently is the need for improved lighting along our foreshore and entry areas' - Community member



Figure 47. Googong Rockley Oval

5.1 PRIORITY PROJECTS AND IMPLEMENTATION PLAN

LANDSCAPE			
Item	Initiative	Action	Priority
1.1	Analysis of canopy cover within Carrington as part of the future city wide assessment of trees.	Investigation/ Research/ Assessment	High
1.2	Identify tree canopy targets and species suitable to future climatic conditions and existing soil and ground water profiles.	Strategy Development	High
1.3	Undertake a drainage assessment to ascertain opportunities to implement WSUD measures such as rain gardens, bio-filtration swales and basins in the streets, parks and storm water drainage outlets.	Investigation/ Research/ Assessment	Medium
1.4	Consider a 'Green Grid' network of trees and gardens in the streets and parks. Locate large canopy trees on wide streets that have the capacity to accommodate space for root zones. This could include the introduction of central medians and planting of trees in parking lanes. Narrow streets shall have small canopy.	Strategy Development	Medium
1.5	Promote the planting of trees in the private domain by providing incentives and educational material about the importance of trees in our city in regard to overall liveability and health.	Promote Community Contribution	High
1.6	Seek opportunities to co-locate water infiltration devices to assist the success of tree plantings.	Investigation/ Research/ Assessment	High
1.7	Consider preemptive installation of mounding in conjunction with tree planting.	Concept/Design Development	High
1.8	Consider installation of green roofs and vertical gardens on existing and future public buildings such as sports amenities buildings, bus shelters, toilets and commercial properties.	Concept/Design Development	Low

CONNECTIVITY			
Item	Initiative	Action	Priority
2.1	Incorporate new street verge paths and upgrade existing to follow the 'Green Grid' network to provide comfortable links throughout Carrington.	Concept/Design Development	High
2.2	Install a combination of on road and off road cycle paths that link points of interest throughout Carrington. The network of paths is to connect with existing and proposed cycleways for the city as outlined in City of Newcastle cycle strategy.	Concept/Design Development	Medium
2.3	Undertake a safety and compliance audit of the existing pedestrian lights along popular paths within the open spaces. Install pedestrian lights along the foreshore paths to enable night time use of a popular loop trail.	Strategy Development	High
2.4	Provide a suite of wayfinding measures to help better navigate people around Carrington. These measures could include markers, signs, points of interest, opening up vistas.	Strategy Development	Medium
2.5	Ensure disability and accessibility compliance in conjunction with public domain works.	Strategy Development	High
2.6	Upgrade the existing path to a formal shared pathway. Consider pre-emptive installation of levee in conjunction with works.	Concept/Design Development	High
2.7	Investigate opportunities to improve active transport connections between the commercial core, parks, sports precinct and foreshore.	Strategy Development	Low
2.8	Create a connection from Bathers Way into Carrington as a continuation of the popular beach to city walk.	Concept/Design Development	Low

POCKET PARKS			
Item	Initiative	Action	Priority
Parker Street Reserve			
3.1	Maintain as a small pocket of bushland and implement a weed management strategy.	Strategy Development	High
3.2	Incorporate a feature as part of a northern gateway entry experience.	Concept/Design Development	Medium
3.3	Encourage community caretaking of the park through signage, school programs and community groups.	Promote Community Contribution	High
Hollingsford Reserve			
3.4	Selectively prune / remove vegetation to open up sight lines through the park and include inviting entry points.	Strategy Development	High
3.5	Provide shelter and seating to encourage small gatherings.	Concept/Design Development	High
3.6	Encourage community caretaking of the park through signage, school programs and community groups.	Promote Community Contribution	High
Grahame Park			
3.7	Make adjustments to the playground to improve accessibility. The current upstand kerb and mulch softfall does not allow for equitable access. Refer to the NSW Government Everyone Can Play Guidelines for any future playground upgrades.	Concept/Design Development	High
3.8	Install park seating and shelters to cater for larger groups of people.	Concept/Design Development	High
3.9	Plant trees to increase canopy cover, contributing to the urban forest and providing shaded places to recreate.	Concept/Design Development	High
3.10	Install pedestrian path lighting along the internal paths.	Concept/Design Development	High
3.11	Provide water points and drinking fountain.	Concept/Design Development	High

POCKET PARKS			
Item	Initiative	Action	Priority
Jubilee Park			
3.12	Undertake a detail design of Jubilee Park Concept Plan to create an ‘urban square’ where small-scale temporary markets or pop-up food stalls can be located to improve the vibrancy of the Young Street commercial core. This may include the installation of toilets and large shelters.	Concept/Design Development	Medium
3.13	Consider the decommissioning of the public art furniture and install a suite of contemporary custom furniture that still reflects Carrington’s identity.	Concept/Design Development	Medium
3.14	Install park lighting.	Concept/Design Development	High
Cowper Street Reserve			
3.15	Long term consider the reconfiguration of the roads, parking, pedestrian paths, street crossings and landscaping to create an activated space that provides opportunities for temporary and permanent alfresco dining areas or street markets.	Concept/Design Development	Low
3.16	Gateway feature that represents Carrington’s history and identity and provides a welcoming gesture to visitors.	Concept/Design Development	Low
3.17	‘Historic walk’ along Cowper Street Reserve to entice people to engage with the space and learn about Carrington’s unique history.	Concept/Design Development	Low
3.18	An ‘Avenue of Trees’ to enhance amenity and aesthetics of Carrington’s main entry and contribute to the urban forest strategy.	Concept/Design Development	Low

FORESHORE			
Item	Initiative	Action	Priority
4.1	Consolidate the existing network of paths and create a legible hierarchy of paths that accesses points of interest along the foreshore and limits conflicts between pedestrians and cyclists.	Concept/Design Development	Medium
4.2	Implement measures to protect the mangroves from rubbish becoming entrapped	Strategy Development	High
4.3	Install a fenced off-leash dog park extending from Young Street Reserve to the foreshore.	Concept/Design Development	High
4.4	Remove existing play equipment and relocate to more activated and visible location along the foreshore. Locations could include adjacent to the cultural meeting place or near the aquatic hub.	Concept/Design Development	High
4.5	Provide lighting along the full length of path along the foreshore from Cowper Street Bridge in the south to Elizabeth Street roundabout in the north.	Concept/Design Development	High
Opportunities for other agencies and groups on land managed by Port of Newcastle and Crown Lands (Not under CN Management)			
4.6	Work closely with the rowers and paddlers organisations to design an ‘aquatic hub’ that improves the experience for local competition, training and recreational users accessing Throsby Creek and the facilities. Upgrades should be to a standard where the hub is accredited to hold state and national title events.	Concept/Design Development	Low
4.7	Redesign space between Pat Jordan Oval and Throsby Creek beach to create a water-edge park including a waterplay space, picnic shelters, BBQs, tree planting, infrastructure for food vans, shaded grass seating areas, disabled beach access, formalised parking, toilets and connections to the aquatic hub and Pat Jordan Oval. Upgrades are subject to future consultation and management with land owners and stakeholders.	Concept/Design Development	Low
4.8	Upgrade boat launching facilities to include a floating pontoon, dedicated boat preparation / wash down area and improved boat trailer parking area.	Concept/Design Development	Medium

SPORTS PRECINCT			
Item	Initiative	Action	Priority
5.1	Upgrade amenities building in Connolly Park to be disabled accessible and gender equitable. The amenities building should be upgraded to enable co-location of all sports using the facilities and provide space for alternative operations such as functions.	Concept/Design Development	High
5.2	Install perimeter paths around the sports fields to encourage exercise and a safe environment for children to ride bikes.	Concept/Design Development	Medium
5.3	Reduce the width of Fitzroy Street, install formalised parking, landscaping and put in measures to slow down vehicles to create a ‘shared street’ environment that better connects Pat Jordan Oval and Connolly Park, creating a cohesive sporting precinct.	Concept/Design Development	Low
5.4	Incorporate a ‘skate street’ space along the edge of Connolly Park. The ‘skate street’ will be a paved urban plaza style space with low key skateable furniture and walls. Picnic shelters and seating offer a place for parents or carers to supervise younger participants. The ‘skate street’ will be designed as a flexible space not purely dedicated to skating.	Concept/Design Development	Low
5.5	Upgrade the War Memorial Gates to create an evocative entry into Connolly Park and a space where ceremonies can be held safely and comfortably.	Concept/Design Development	Medium
5.6	Upgrade the playground to be an all-inclusive play space adhering to the NSW Government Everyone Can Play Guidelines including the provision of closely located car parking, supporting amenities and a range of play experiences for all ages and abilities.	Concept/Design Development	Medium
5.7	Install spectator view / seating areas around the perimeter of Pat Jordan Oval and Connolly Park.	Concept/Design Development	Low

CARRINGTON'S STORY			
Item	Initiative	Action	Priority
6.1	Carrington 'Art Trail' – Consider an 'Art Trail' that creatively depicts the narrative of Carrington. Work closely with the community to determine the important stories to be told as well as engage and encourage local artists to participate.	Strategy Development	Medium
6.2	In conjunction with the above art trail provide an interpretative overlay through signage, markers, highlight prominent historical landmarks, etc.	Strategy Development	Medium
6.3	Working with Worimi and Awabakal communities to undertake a dual language study to ensure all interpretive elements and signs incorporate the local language and stories.	Investigation/ Research/ Assessment	High
6.4	Working with local Aboriginal groups investigate a suitable location and options for a cultural meeting place to enable the continuation of culture and education to ensure visitors to Country have a greater understanding of the land they are visiting.	Investigation/ Research/ Assessment	High
6.5	Install gateway features at the entrance to Carrington that reflects Carrington's unique character and history. The features should be able to be appreciated from passing vehicles and pedestrians. The gateway features form part of a Cowper Street historical walk that could depict people and events that have shaped Carrington.	Concept/Design Development	Medium



**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
CARRINGTON GREENSPACE MASTERPLAN PUBLIC EXHIBITION**

Attachment B

Item 80 Attachment B: Carrington Greenspace Concept Plan –
Engagement Report January 2019

<p>DISTRIBUTED UNDER SEPARATE COVER</p>
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Carrington Greenspace Concept Plan

Engagement Report January 2019

1 Executive Summary

City of Newcastle (CN) is developing a 10-year greenspaces concept plan to support a future vision for Carrington. The project examines existing land and park facilities, exploring how the greenspaces can best be looked after to meet recreation, sporting, community needs; as well as environmental outcomes in both the short and long term.

The engagement approach involved the community at an early project stage and was designed to ensure diverse input from a variety of greenspace users. Implemented across two phases (with a final public exhibition phase to follow), the approach encouraged transparent engagement to recognise site opportunities and constraints, share ideas, test the plans direction with the community and provide community education opportunities. The process aimed to;

- raise awareness and inform the community of CN plan
- gain insights about greenspace sites to inform the creation of a plan
- identify additional recreation and community opportunities within Carrington greenspaces
- strengthen relationships and build trust between user groups and CN
- help to identify and prioritise assets/key capital works and community expectations.

A variety of engagement methods were delivered across two phases and included;

- online survey/asset mapping (38 surveys complete, 39 comments and 190 visitors to the site)
- two community workshops (24 attended)
- onsite engagement chalk boards (8 boards located in parks, receiving 130 comments)
- flyer drop (1,300 flyers distributed)
- stakeholder meetings
- sporting club meetings (aquatic and land clubs)
- online deliberation survey (139 participants)
- design feedback drop-in session (24 attended).

Phase 1 Key findings

Following analysis of community and stakeholder feedback, several key emerging themes were identified. These themes formed the basis for draft idea development to be tested in Phase 2.

Green strategies	waste management, renewable energy and flood mitigation
Landscape	native planting, habitat preservation (including mangroves), celebrating the waterways
Distinct spaces	diversity of types/themes of space and use
Connectivity	active transport connections, creating gateways to Carrington, meeting spaces for community and streetscapes included as greenspace
The Carrington story	public art opportunities, culture, heritage, Aboriginal culture and maintaining character
Amenities	lighting for safety, additional park infrastructure and sports facilities upgrades
Other priorities	maintenance, integration of agencies

Phase 2 findings

The second phase of engagement presented ideas (actions, initiatives and concepts) back to the community for feedback and prioritisation. Participants were able to deliberate using an online deliberation tool and were also invited to attend a drop-in session in Carrington. The online tool measured the overall strength of individuals ideas, considering both support and conflict.

The tool goes further than collecting feedback from participants in isolation and allowed for participants to see in real time how their results compared with the broader community results. Participants were able to deliberate and make trade-offs to create their preferred scenario. The aim was to build understanding of the need for compromise and to deliberate beyond a simple 'for and against' mentality.

A total of 139 participants completed the survey and 574 comments were received.

The top rated (most supported overall with lowest level of conflict) responses were:

- canopy trees in parks (landscape)
- verge tree planting (landscape)
- median planting (landscape)
- green roof habitats (landscape)
- improved lighting (facilities)
- solar lighting (resilience)
- improve navigation (connectivity)
- protect mangroves and saltmarshes (foreshore)
- upgrade sporting facilities (sporting precinct)
- strengthen identity of parks (the Carrington story)
- small events (pocket parks).

Tested five principles

1) Landscape	<ul style="list-style-type: none">• Greening of local streets• Growth and protection of trees address urban heat island effects and build resilience against climate change issues through landscaping
2) Connectivity	<ul style="list-style-type: none">• Improving connectivity to the City and greater Newcastle area
3) The Carrington Story	<ul style="list-style-type: none">• Respecting and celebrating the aboriginal people and their connection to country• Promoting spaces for the community to celebrate Carrington's unique history and culture with meeting places for teaching, storytelling, small events and gatherings• Celebrating entries to Carrington with gateway features that provides the community with a sense of place• Commemorating local historical figures and sites
4) Facilities	<ul style="list-style-type: none">• Increasing the supporting facilities and amenities around Carrington to contribute to the activation of places, streets and parks• Identifying gaps in facilities that need to be filled for Carrington to reach its full potential
5) Resilience	<ul style="list-style-type: none">• Combating and mitigating the effects of climate change, such as sea level rise and increased temperatures

	<ul style="list-style-type: none"> • Responding to social changes that Newcastle is facing, such as population growth and demographic change • Embracing rapid changes in technology and innovation
--	---

Tested three location-based aims

1) Sporting Precinct	<ul style="list-style-type: none"> • Strengthen the supporting facilities the precinct has to offer • Promote the use of the precinct to extend time of day use
2) Pockets Parks	<ul style="list-style-type: none"> • Consider opportunities to upgrade and provide amenities to Carrington's small park network to encourage community use of these small spaces • Promote community caretaking and ownership of their small parks • Increase activation of small parks by considering other programming
3) Foreshore	<ul style="list-style-type: none"> • Maintain and promote the foreshore as the recreational and social spine of Carrington • Preserve and improving the ecologically important wildlife, mangrove and saltmarsh communities of Carrington

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2 Introduction

The engagement approach involved community at an early project stage and was designed to ensure diverse input from the variety of greenspace users. The process aimed to;



- raise awareness and inform the community of CN plan
- gain insights about greenspace sites to inform the creation of a plan
- identify additional recreation and community opportunities within Carrington greenspaces
- strengthen relationships and builds trust between user groups and CN
- help to identify and prioritise assets/key capital works and community expectations.

3 Methodology

3.1 Research approach

This activity falls under the **involve** category of the IAP2 public participation framework.

Table 1 Public Participation Spectrum, International Association of Public Participation

Increasing the level of public impact 				
Level of community influence over decisions 				
Inform	Consult	Involve	Collaborate	Empower
To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision-making and/or devolved budgets in the hands of the public.
We will keep you informed.	We will keep you informed, listen to acknowledge concerns and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

3.2 Engagement methods and participation

A variety of engagement methods were delivered across three phases;

- Phase 1: place-based idea development
- Phase 2: idea feedback and prioritisation
- Phase 3: exhibition of draft Greenspace Plan).

The methods were designed to capture the views of a diversity of greenspace users including Carrington residents, neighbourhood groups, sporting clubs and members and other key stakeholders in Carrington.

Table 2 Engagement Outline

Phase 1 place-based idea development		
Online survey/asset mapping	Map based asset mapping, visioning and developing early ideas	38 surveys complete 39 comments 190 visitors to the site 4 written submissions
2 x Community design workshop	Deeper exploration into issues and opportunities, visioning and education. Community building.	24 attended
Onsite engagement boards	Place based identification of issues and opportunities	8 boards located in parks, receiving 130 comments
Flyer drop	Raise awareness of engagement process	1,300 flyers distributed to residents
Stakeholder meetings	Identification of issues and collaborative opportunities.	Port of Newcastle Roads and Maritime Services Sporting clubs
2 x Sporting group workshops	Identification of issues and opportunities relating to sporting use	6 clubs attended or provided a submission
Initial idea development, informed by phase 1 community engagement findings, additional stakeholder consultation and site feasibility analysis.		
Phase 2 Idea feedback and prioritisation		
Online feedback survey	Identify priorities and preference relating to draft concepts.	139 participants (574 comments received)
Design feedback drop in sessions	Identify priorities and preferences relating to initial concept designs. Communicate phase 1 findings.	25 attended
Masterplan development:		
Phase 3 public exhibition (planned for April 2019)		

3.3 Promotion

The engagement process was promoted through:

- Have your Say project webpage on CN website
- Facebook, City of Newcastle page
- Twitter @citynewcastle
- Outdoor corflute signage at eight greenspace sites across Carrington
- emailing key stakeholder groups
- letter drop to residents in Carrington and Maryville
- posters in businesses and shopfronts.

3.4 Data handling

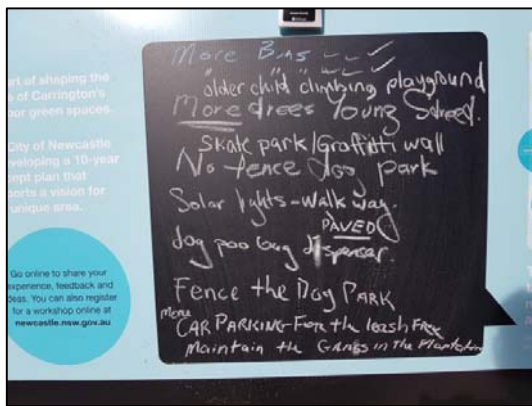
A project code frame (grouping comments into thematic categories) was developed to analyse qualitative open-ended responses. The code frame can be viewed at Appendix I. All responses are de-identified to ensure the anonymity of respondents and edited only for grammar and spelling if inserted as verbatim comments into the body of the report.

Data handling and analysis was carried out by CN's Community Engagement team.

4 Phase 1 findings

4.1 Onsite engagement boards and online comments

Across eight key greenspace sites large interactive boards were installed to allow for users of the parks to engage with the project. A total of 130 comments were documented from the boards. The boards also targeted participants who may not normally engage online and allowed for place-based identification of issues, assets and ideas.



Comments (39 in total) were also able to be pinned to our online map. This was an unstructured activity that invited feedback about places people liked, great ideas for a space and places to change.



Due to the nature of these activities, demographic data was not captured for this activity.

The table provides a summary of the feedback received on both the boards and online through comments on the online map. The responses were grouped together into like themes using the project code frame.

Table 3 - Onsite boards and online comments - top mentioned by theme

Onsite boards and online comments - top mentioned by theme		
Theme	Count	Description
Facilities and amenity	51	infrastructure elements that supports comfort
<i>Bins</i>	19	including dog poo bag provisions
<i>Dog park elements</i>	10	including support for fenced, water, shade and play elements
<i>Lighting</i>	9	particularly around the foreshore
Activities and usage	28	types of activities that could occur in the space
<i>Playground</i>	9	
<i>Skate</i>	5	
Landscape	18	more trees
Green initiatives	9	renewable energy, recycling
Access and linkages	5	path connections and upgrades

A snapshot of responses is captured below.

"lighting along path - safe at night"

"keep Throsby Creek clean and open please for the benefit of the environment and water users such as rowers."

"build a shared path along Fitzroy St connecting Arnold St with Cowper St."

"fenced in dog area with equipment for them to play, drinking water and poop bags"

"a rack of bikes from the electric bike share scheme would be great here. It would really allow people to park and ride to the city."

4.2 Survey data

Online participants leaving comments were asked to answer questions relating to demographics, usage and priorities. A total of 38 survey responses were received.

4.2.1 Demographics and usage

Over half (64%) of the respondents stated they lived within Carrington and a further 21 percent lived within 5kms of Carrington.

The most popular reasons visiting the greenspaces of Carrington were exercise and training (61%), walking (53%) and cycling (51%).

When asked about how regularly they use the greenspaces, 59 percent said they used them almost every day. Nearly all respondents said they used the foreshore (92%).

4.2.2 Top priorities for the plan

Several options were provided, and respondents could select areas they felt the plan should address. The top areas selected were:

- 53 percent amenities (e.g. toilets, lighting and seating)
- 47 percent protecting and enhancing the natural environment
- 39 percent linking and protecting pathways
- 37 percent landscaping.

Participants were also able to leave open comments, a snapshot of these can be found below.

"please preserve and prioritise our natural environment."

"I would like to see any plan developed to focus on bringing existing paths up to a shared path standard, adding any missing links and providing better connections to the road network."

"...be nice to have more covered areas around the sporting fields for spectators when it's raining and more seating, irrigation on the fields"

"solar lighting to the walkways and dog park"

4.3 Community workshops

The collaborative workshops provided an opportunity for the project context experts (those with the lived experience of the spaces) to 'deep dive' into the issues and provide input and knowledge into the project. As regular users of the space these context experts have unique insights, experiences and expertise that can serve to build on the content experts (professionals in various fields) knowledge.

The workshops were attended by 24 residents, sporting group representatives, members of the Carrington Community Council and other recreational group members.

4.3.1 What does a greenspace plan mean to you?

To help solidify project expectations the workshop participants discussed what might be included in a greenspace plan and what might it look like. Key themes mentioned are provided in Table 4.

Table 4 - What does a greenspace plan mean to you?

What does a greenspace plan mean to you?	
Activity and Use	Access and Links
allow for a diversity of uses that supports co-existence	improved connectivity and accessibility within, and into, Carrington
address population growth in neighbouring areas and impacts on Carrington greenspace	improved bike and pedestrian street scapes
identify places where people can come together and meet and potentially learn	car parking
Culture and History	Landscape
must maintain Carrington's character	include wildlife habitat and ecological connections
celebrate local stories	secure useable open spaces
incorporates cultural e.g. art and how this interacts with greenspaces	
Other	Facilities and amenity
outline a co-ordinated approach that integrates with other agencies	plan for on water and other sporting facilities upgrades
provide a framework for funding	

4.3.2 Mapping assets, challenges and ideas

A mapping exercise identified what the participants valued in Carrington greenspaces and some of the potential issues that needed to be resolved. Some topics raised were broadly speaking about Carrington and others were more specifically relating to a space.

A total of 51 comments were documented relating to assets, and a further 48 about challenges. Table 5 describes the assets and challenges that were identified.

Table 5 - Whole of Carrington assets and challenges

Carrington assets and challenges	
Assets	Challenges
<p>active use of waterways and foreshore</p> <p>aboriginal cultural connection</p> <p>sense of community - intimate, village feel and contained cultural entity</p> <p>open space and habitats</p> <p>historical aspects</p> <p>connectivity and great for cycling</p> <p>people's stories</p> <p>no high rises</p>	<p>population growth - pressure created from neighbouring suburbs growth</p> <p>multiple agencies working together and having a coordinated approach</p> <p>maintenance - keeping it clean</p> <p>public transport</p> <p>flooding and drainage</p> <p>lighting</p> <p>connections between spaces</p> <p>preserving habitat and tree management</p> <p>encouraging more artwork and creating different themes</p> <p>opportunities for young people</p>

Following the identification of assets and challenges, workshop groups were asked to generate some ideas for action that could be applied to their assigned precinct. A total of 79 ideas were recorded. Table 6 describes the assets, challenges and new ideas for each precinct.

Table 6 - Precinct assets, challenges and proposed ideas

Foreshore		
Assets	Challenges	Ideas
<ul style="list-style-type: none"> walking track - provides connection from one end of Carrington to the other mangroves and the boardwalk Mount Carrington foreshore art reflects character 	<ul style="list-style-type: none"> maintenance issues - rubbish, dog poo and lawn mowing not enough hydration stations linking pathways to other places all abilities access maintaining foreshore beach and water access 	<ul style="list-style-type: none"> landscape improvements - weed management, native replanting and more trees. habitat improvements through planting and other measures amphitheatre outdoor exercise equipment trail amenity improvements - water access, seating, lighting, directional signage and BBQ facilities. cultural elements - interpretative signage and sculptures multi-purpose Aboriginal cultural meeting space for education and activities.

Sporting Precinct (Pat Jordan and Connolly Park)		
Assets	Challenges	Ideas
<ul style="list-style-type: none"> multi-purpose sporting facilities sense of gateway community garden space/bowling club area is a real community hub 	<ul style="list-style-type: none"> poorly defined parking and kerb conflicting use of the space infrastructure to accommodate clubs/sports 	<ul style="list-style-type: none"> pop up Food truck area - on foreshore side of Pat Jordan expand existing facilities for other sporting clubs. Also available to the public e.g. Toilets maintenance and regulation connecting bike path from Cowper street, linking up with foreshore path lighting upgrades in Foreshore area formalise parking
Pocket Parks West (Parker Street reserve, Young Street, Grahame Park, Hollingsford Reserve)		
Assets	Challenges	Ideas
<ul style="list-style-type: none"> open layouts and good shade a natural space for local birds (Parker Street) a lovely social space (Grahame Park) makes the streetscape nicer (Hollingsford) 	<ul style="list-style-type: none"> lack of amenities - lighting and toilets not inviting dead space - not actively used (Parker) 	<ul style="list-style-type: none"> improve connectivity and paths native planting (Young) dog park (Young) improve planting (Parker) amenities - seating, toilets and water (Grahame) improve maintenance improve passive surveillance (Hollingsford)
Pocket Parks East (Jubilee Park, Cowper Street reserve, Coe Park)		
Assets	Challenges	Ideas
<ul style="list-style-type: none"> A gathering and reflective space (Jubilee) one of the few open green spaces in the area (Jubilee) mysterious gardeners using the space (Coe) historical park (Jubilee) 	<ul style="list-style-type: none"> undefined space (Cowper) 	<ul style="list-style-type: none"> create a gateway to Carrington both from the port and city (Cowper) needs to link with the Bowling club/community garden space that already acts as a community hub (Cowper) a village plaza square towards the young street end. (Cowper) improved landscaping (Cowper) lighting better connectivity for pedestrians and cyclists (Cowper) recognition of traditional owners and Arthur Wade unify with Young Street upgrade, keeping maritime feel but updating. (Jubilee) native garden understory to encourage more diverse birds (Coe)

4.4 Phase 1 emerging themes

Several key themes emerged from the combined data captured online, onsite, at the workshops and through stakeholder meetings. These themes were used to guide the development of concept ideas tested in Phase 2.

Table 7 - Phase 1 emerging themes

Green strategies	waste management, renewable energy and flood mitigation
Landscape	native planting, habitat preservation (including mangroves), celebrating the waterways
Distinct spaces	diversity of types/themes of space and use
Connectivity	active transport connections, creating gateways to Carrington, meeting spaces for community and streetscapes included as greenspace
The Carrington story	public art opportunities, culture, heritage, Aboriginal culture and maintaining character
Amenities	lighting for safety, additional park infrastructure and sports facilities upgrades
Other priorities	maintenance, integration of agencies

4.5 Phase 2 - Online deliberation tool and survey

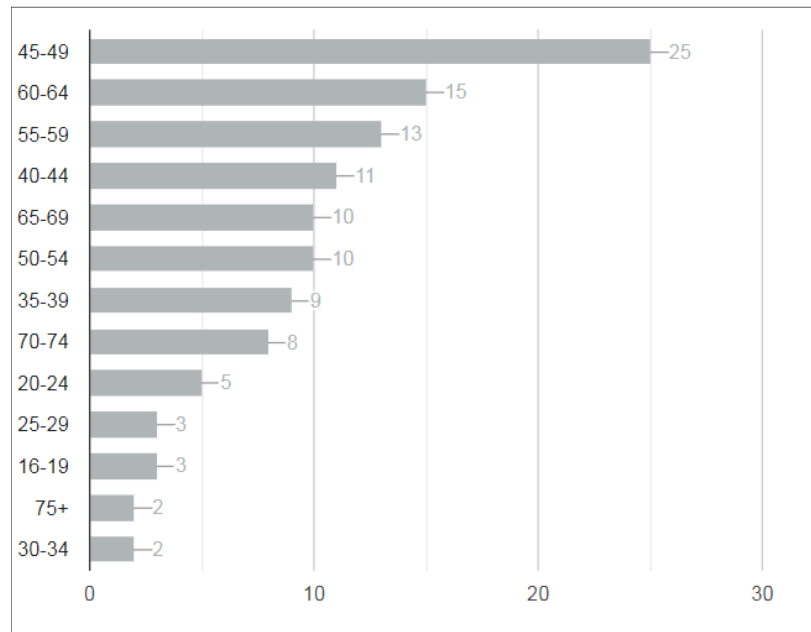
The second phase of engagement presented several ideas (actions, initiatives and concepts) back to the community for feedback and prioritisation. These ideas were developed from the findings of Phase 1 of the engagement process.

Information was collected through an online deliberation tool and optional survey. To help test these ideas the community were also invited to attend a weekend drop-in session in Carrington. The drop-in session supported face-to-face conversations with the project experts and provided iPads giving access to the online tool and survey.

A total of 139 people participated in the online deliberation tool and a total of 91 people responded to the optional demographic survey.

Key findings from the survey were:

- 48 percent stated they used Carrington greenspaces almost every day
- 35 percent selected once or twice a week
- Participation was spread across all age groups, however those aged 45-49 represented the highest proportion (25% of respondents)
- Almost all (91%) of respondents stated they lived in the Newcastle area
- 71 percent of respondents stated they lived in Ward 1 (inclusive of Carrington and surrounds).



The online deliberation tool sought participants level of support to the project elements through asking if participants supported, were neutral or opposed ideas on a scale (total support, slightly support, neutral, slightly oppose, totally oppose). To drive deliberation, the tool also allowed a limited number of 'top options'/ideas to be shortlisted by each participant.

The tested ideas were presented under broad design principles informed by the Phase 1 findings; landscape, connectivity, the Carrington story (history, culture and identity), facilities and resilience (relating to sustainability). There were also place-based categories representing the key existing green space precincts; sporting (Pat Jordan and Connolly Park), pockets parks and the foreshore.

The results across all options can be viewed at Appendix II.

Each idea received a final score categorised under Support, Approval and Conflict.

Support: Based on the average calculated across votes. A high score indicates a high level of support and cohesion across the participants.
Approval: Indicates percentage of people who voted either 'Support' or 'Totally Support' divided by the total number of voters.
Conflict Level: Conflict is measured by the level of polarization. If half the participants totally opposed an option and half totally supported it, this indicates maximum conflict (100%). Higher conflict scores represent participant resistance to a proposal.

From the 139 people participated 574 comments were received across the ideas. Most of the comments were positive, or proposing an additional idea linked to the option.

4.5.1 Top 12 rated principles

The top 12 rated options (best scenario) are listed below. Note, that the parameters required that at least one option from each principle must be contained in the best scenario.

4.5.2 Landscape

Landscape can form a great part of an area's identity and character. High quality urban design and landscapes promote the activation and use of streets and parks. The landscape principle aims to:

- promote greening of local streets
- promote the growth and protection of trees
- through landscaping, address urban heat island effects and build resilience against climate change issues

The ideas within landscape principle had four highly ranked ideas in terms of level of approval and low levels of conflict. The most supported overall (across all principles) was canopy trees in parks.

The most supported options (making it into the top 12 ideas) are contained in Table 8 below. A total of three of the top 12 options came from the Landscape principle.

Table 8 - Landscape principle top option

Landscape				
idea	description	average support	approval	conflict
1. Canopy trees in park	Large trees in our parks are able to provide natural shade. Big canopy trees could be carefully selected to thrive in the unique environmental conditions of Carrington.	very high 92%	very high 93%	low 39%
<p>A total of 17 comments were received for this idea and 16 of these were positive. The need for careful tree selection (specifically native) and general support for more trees were common themes within the comments. Concerns were also expressed about the potential for large trees to damage infrastructure (footpaths and drainage).</p> <p><i>'The suburb and city need more big trees for shade and character.'</i> <i>'large trees are beautiful to look at, to sit under, to share food and laughter.'</i></p>				
2. Verge tree planting	Additional street tree planting on verges provides shade, habitat and beautifies Carrington's streets. Following our Street Tree Selection Manual we would identify current tree vacancies on streets and fill with new planting.	very high 89%	very high 89%	med 41%
<p>A total of 17 comments were received for this idea, 15 of these were positive. Careful tree selection and consideration for potential damage to infrastructure (footpaths and drainage) were common themes within the comments.</p> <p><i>'this may cause issues with root damage along paths, blocking visibility from driveways'</i> <i>'I would love more trees. So many reasons why. I think it's important to return the environment to what has belonged here previously'</i></p>				
3. Median planting	Shaded and appealing 'green' streets through street tree planting have many benefits including reducing heat island effects, increased shade and the promotion of wildlife. One option could be the introduction of additional central medians in wide streets with large canopy tree planting (of appropriate varieties).	very high 86%	very high 88%	med 45%
<p>A total of 13 comments were received for this idea, 12 of these were positive. The need for careful tree selection was a common theme within the comments.</p> <p><i>'think of the street widths, current use and potential future use before considering planting more trees.'</i> <i>'tree lined street scapes increase property value and draw the community out of airconditioned houses'</i></p>				

4.5.3 Connectivity

Carrington's unique geographic location presents connectivity challenges due to its island nature. Improved connectivity within and around Carrington supports the activation of streets and open space and the ability to get around easily. This principle aims to:

- improve the connectivity of Carrington to the city and the greater Newcastle area,
- improve active transport and wayfinding through the street and greenspace network

The most supported option (making it into the top 12 ideas) is contained in Table 9.

Table 9 - Connectivity principle top option

Connectivity				
Idea	Description	Average support	Approval	Conflict
1. Improve links with other walks	Newcastle has high quality pedestrian and cyclist facilities stretching along Bathers Way, through Honeysuckle and along Throsby Creek in Islington. An extension of these paths would provide a consistent and seamless foreshore walk through the heart of Newcastle. It would potentially bring in extra people and business into Carrington and offer the chance to share stories of Carrington.	very high 87%	very high 89%	Med 52%
<p>A total of 17 comments were received for this idea.</p> <p>A common theme within the comments was support for safe multi-use pathways to improve connectivity (wider paths). Responses also highlighted that signage should not be just directional, but also interpretive.</p> <p><i>Also improve connections further west and south. It's particularly inconvenient for bikes to cross Stewart Avenue to head to Mayfield/Hamilton'</i></p> <p><i>'Carrington is part of the inner city and our transport links need to be integrated with those of our surrounding suburbs and ocean front. There are many beautiful aspects to the areas that are worth sharing. The Carrington residents get to enjoy the wider area and residents and visitors from the wider area can share the beauty of Carrington.'</i></p>				

4.5.4 The Carrington Story

Carrington people are passionate and proud. In our conversations we heard stories ranging from Aboriginal cultural knowledge through to more recent and colourful European history. The Carrington story has helped shape the unique identity and character in land use, architecture and urban design. This principle aims to:

- respect and celebrate the aboriginal people and their connection to country
- promote spaces for the community to celebrate Carrington's unique history and culture with meeting places for teaching, storytelling, small events and gatherings
- celebrate the entries to Carrington with gateway features that provides the community with a sense of place
- commemorate local historical figures and sites

The most supported option (making it into the top 12 ideas) is contained in Table 10.

Table 10 - The Carrington Story principle top option

The Carrington story				
Idea	Description	Average support	Approval	Conflict
1. Strengthen identity of parks	Many of the parks in Carrington have a special history. Using techniques like signage, interpretative elements or smart technologies can better communicate the origins of Carrington's parks and their importance to the community over the years.	high 80%	medium 80%	low 38%
<p>A total of 11 comments were received for this idea. Protecting the unique Carrington features and celebrating aboriginal culture were common themes within the comments.</p> <p><i>'preserving historical and unique features should be a priority rather than allowing the features to disappear and be replaced by signage'</i></p> <p><i>'all excellent ideas here. It seems that Carrington is emerging as one of the key areas in Newcastle for recognising local Indigenous culture and telling their stories, and this should be consolidated and expanded'</i></p>				

4.5.5 Facilities

Supporting facilities and amenities are a vital part of activation for any park or urban environment. This principle aims to:

- increase the supporting facilities and amenities around Carrington to contribute to the activation of places, streets and parks
- identify gaps in facilities that need to be filled for Carrington to reach its full potential

The most supported option (making it into the top 12 ideas) is contained in Table 11.

Table 11 - Facilities principle top option

Facilities				
Idea	Description	Average support	Approval	Conflict
1. Improved lighting	Do you support improving pedestrian lighting along popular walking routes and active spaces to extend the time of use and enhance safety?	very high 94%	very medium 97%	low 48%
<p>A total of 19 comments were received for this idea. All comments were positive. Focussing lighting along the foreshore was a common theme within the comments.</p> <p><i>'this is an extremely important aspect. Lighting the foreshore walkway from the boat ramp to Elizabeth St will greatly increase this areas use, especially in the winter months'</i></p> <p><i>'It needs to be designed for pedestrian safety but also to not disturb the bats at night'</i></p>				

4.5.6 Resilience

Resilience is the ability to cope with unexpected changes and challenges. This principle of Resilience aims to:

- combat and mitigate the effects of climate change, such as sea level rise and increased temperatures

- respond to social changes that Newcastle is facing, such as population growth and demographic change
- embrace rapid changes in technology and innovation.

The most supported option (making it into the top 12 ideas) is contained in Table 12.

Table 12 - Resilience principle top option

Resilience				
Idea	Description	Average support	Approval	Conflict
1. Solar lighting	Improved lighting and the use of light play could be achieved using solar power. As a renewable energy, using solar powered lighting in areas such as the foreshore and in local parks and play spaces is an energy saving and ecologically responsible alternative to standard lighting.	very high 94%	very high 95%	med 53%
<p>A total of 12 comments were received for this idea. All comments were positive. A common theme was the need for the foreshore area to be lit and for consideration to be made for potential light pollution.</p> <p><i>'international standard- to soften industry feel. Engage tourists. Engage with a safe amenity, lumination reduces vandalism and assault'</i></p> <p><i>'Probably the most important issue affecting Carrington residents presently is the need for improved lighting along our foreshore and entry areas'</i></p>				
2. Raingardens	Creatively approaching drainage with appealing Water Sensitive Urban Design (WSUD) designs minimise environmental degradation and improve street appeal. Raingardens that collect water run-off from roads and stormwater pipes, filter the water and remove toxins before releasing the water back into drains and waterways.	very high 89%	very high 89%	med 55%
<p>A total of nine comments were provided that indicated overall support.</p> <p><i>'Trees should be included in the rainwater gardens not just grasses and low growing shrubs'</i></p> <p><i>'An excellent idea, that should also be a no-brainer'</i></p>				

4.5.7 Sporting precinct

The Sporting Precinct comprises of Pat Jordan Oval, Connolly Park and parts of foreshore. The precinct, in a prime position wedged between the foreshore and the commercial precinct, poses great potential as landmark feature for Carrington. In this area the aim is to:

- strengthen the supporting facilities the precinct has to offer
- promoting the use of the precinct to extend time of day use.

The most supported option (making it into the top 12 ideas) is contained in Table 13.

Table 13 - Sporting precinct principle top option

Sporting precinct				
Idea	Description	Average support	Approval	Conflict
1. Upgrade sports facilities	An upgrade to the sporting precinct could include; traffic calming measures, war memorial upgrades, skate street, formal parking and seating terrace. An important part of this upgrade could also include improving the sports buildings, clubhouses and storage.	very high 85%	very high 83%	medium 57%
<p>A total of 10 comments were received for this idea, 18 of these were positive. Need for formalised car parking and support for new infrastructure was a common theme within the comments. Concerns around the risk of over development were also raised.</p> <p><i>'I don't want this area to become overdeveloped. As long as it is serviceable I think that's fine.'</i></p> <p><i>'There are currently insufficient facilities for the range of individuals / clubs that use the foreshore and Throsby Creek for water sports. There should be toilets/showers for use by the general public'</i></p>				

4.5.8 Pocket parks

Carrington's residential area has an assortment of small pocket parks (Coe Park, Jubilee Park, Hollingsworth Reserve, Parker Street Reserve and Grahame Park). These parks provide the community spaces to socialise, relax, play and gather. They contribute to a major part of Carrington's character each with their own identity and history. In these locations the aim is to:

- consider opportunities to upgrade and provide amenities to Carrington's small park network to encourage community use of these small spaces
- promote community caretaking and ownership of their small parks
- increase activation of small parks by considering other programming.

The most supported option (making it into the top 12 ideas) is contained in Table 14.

Table 14 - Pocket parks principle top option

Pocket parks				
Idea	Description	Average support	Approval	Conflict
1. Small events	Carrington's pocket parks provide opportunities for the community to hold small community events. Using easy online tools, spaces and facilities within parks such as Coe Park or Grahame Park can be used to boost community placemaking initiatives.	very high 81%	high 80%	medium 49%
A total of three comments were received for this idea but they didn't relate to the option.				

4.5.9 Foreshore

Carrington's foreshore is a major contributor to the suburbs character and vibrancy. It brings locals and visitors together to use the variety of facilities and open spaces on offer. The foreshore provides a place to connect to the waterways and is rich in highly important ecological communities. The aim in this location is to:

- maintain and promote the foreshore as the recreational and social spine of Carrington

- preserve and improve the ecologically important wildlife, mangrove and saltmarsh communities of Carrington.

The most supported options (making it into the top 12 ideas) are contained in Table 15.

Table 15 - Foreshore principle top options

4.5.10 Least supported ideas

Foreshore				
Idea	Description	Average support	Approval	Conflict
1. Protect mangroves and saltmarsh	There's opportunity to increase the recognition of the value of these areas through education, storytelling and interactive elements.	very high 91%	very high 92%	medium 59%
<p>A total of 8 comments were received for this idea. All comments were positive.</p> <p><i>'very important - should be integrated with what's happening with the rest of Throsby Creek'</i> <i>'very important section of the total area of green space and must be included. The boardwalk is unique in this city and should be promoted. Council must remove the weeds on Elizabeth street.'</i></p>				
2. Foreshore upgrades	The vision could include formal parking, waterfront recreation areas with new facilities and an aquatic sports hub.	high 81%	very high 81%	low 58%
<p>A total of 15 comments were received for this idea, nine of these were positive. A number of comments expressed concern for the over development of the foreshore. A common theme for comments was the need for an accessible jetty, more greenery and aquatic facility upgrades.</p> <p><i>'the foreshore is for all and a great location for all water craft to get on to the creek and harbour. It definitely needs upgrading with toilets, bubblers maybe even beach style shower and better facility's for water sports clubs'</i> <i>'this area should also include a jetty and disabled access area for all users'</i></p>				

The following ideas showed both the lowest levels of support and highest conflict. These ideas still had moderate levels of support and all responses had a low level of conflict overall. The lower levels of support may indicate this is not a priority for the respondent in relation to other ideas (meaning they selected the neutral option), or the respondent disagrees with an element of the idea (as described in the comments section of each idea). The least supported options are contained in Table 16.

Table 16 - Least supported options

Foreshore				
Idea	Description	Average support	Approval	Conflict
1. Host tourism opportunities	Pat Jordan Oval, Connolly Park and the foreshore offers the potential to host tourism events. Installing the supporting services within this precinct such as recreational vehicles (RV) facilities, water and electrical services will enable the programming of these events. Bringing occasional tourism events to Carrington will stimulate the local economy.	medium 58%	medium 48 %	medium 52%

<p>A total of 15 comments were received, seven of these were negative and expressed concern about allowing RVs and the potential impact on the sporting grounds. Support was given to potential for local events and markets and developing infrastructure to allow this (power and lighting).</p> <p><i>'Carrington has a lot of potential as part of Newcastle's tourism offering, but this needs to be properly thought through and integrated with what's happening elsewhere. Focus on providing for the local community first'</i></p> <p><i>'this needs careful consideration.....markets may pop up with water and electricity available...may be a good thing'</i></p>				
2. Waterplay	Waterplay space for all ages along the foreshore of Carrington provides a new dynamic play space for the community and a safe alternative to swimming in Throsby Creek.	high 70%	medium 59%	medium 52%
<p>A total of 9 comments were received, five of these were negative stating that they would prefer the natural waterway to be maintained and enhanced as a priority.</p> <p><i>'these require simply more concrete. Focus on nature, not manmade nonsense'</i></p> <p><i>'why have waterplay along a shoreline? Kids learn more by playing in the sand and natural waterways, however the creek needs cleaning up'</i></p>				
3. Commemorate history and sites	Should we commemorate local historical figures and sites such as the Tree of Life, Pat Jordan, Arthur Wade and the Traditional Owners by creating a new dedicated open space along Cowper Street?	high 71%	high 62%	low 33%
<p>A total of five comments were received. Many indicated they were unsure of what this option referred to.</p>				
4. Formal parking	Formal parking areas help improve efficiency as well as protecting the trees, parks and landscaping. Formalising parking would be particularly beneficial in the areas surrounding the Foreshore, Cowper Street, Pat Jordan and Connelly Park. This also supports improved access for people living with mobility issues.	high 72%	high 69%	medium 46%
<p>A total of 22 comments were received, 18 of these were positive. Formalising the fencing and general improvements were a common theme within the supportive comments. Concerns were raised around shutting down access for non-dog owners and impact on amenity.</p> <p><i>'only if the 'fence' is attractive e.g. green hedge'</i></p> <p><i>'dog parks have been very successful in other areas of Newcastle, and demand on them is high, so I'm sure another one would be much appreciated by the companion dog community'</i></p>				

4.6 Guraki Advisory group meeting

The project was presented to the Guraki Advisory Group at the December 2018 meeting. The group provided advice at the meeting and were also invited via email to provide further feedback on the draft ideas.

Key issues and points suggested for consideration in developing the greenspaces plan were;

- As the harbour is increasingly busy - need to ensure space for aboriginal cultural practice sites
- water quality is a major issue
- caring for country - other areas work with Land Councils to directly employ and upskill Aboriginal people to care for country
- Considering that caring for the local environment is defined in our Statement of Commitment, how can this be embedded into the plan?
- Opportunity for many local stories that can be told - waving reeds and Tin City "Texas"

- Asked how does the plan link with the bigger picture? The whole river is a significant and connected site. This deserves to be recognised.

4.7 Final Summary

The engagement through a mixed method approach of online tools and face-to-face consultation supported awareness and early participation for interested community members and stakeholder groups.

The staged methodology facilitated an awareness of the scope of the project and centred the research around the opportunities and constraints of the greenspaces in Carrington. Through establishing the iterative testing of principles and options there was a structure in place to gather balanced informed and viewpoints. Awareness was also facilitated about the relationships between the interconnected principles.

Phase 2 presented the initial concepts that had been collected to support further deliberation. The online deliberation tool provided participants the ability to see how their feedback could contribute to shaping the final plan by collecting and then presenting levels of support.

The findings of Phase 1 and 2 of the engagement will be used to inform the development of the draft plan. Following the development of the Plan, there will be an opportunity for further review and comment at the Public Exhibition phase in 2019.

5 Appendices

5.1 Appendix I - Project code frame

Themes/Topics	Description
Facilities and Amenities	
lighting	
bins	
fencing	
shade/shelter	
seating/tables	
drinking taps	
toilets	
sports club buildings/facilities	
BBQ/cooking facilities	
bike facilities	
sports ground surfaces	

Activity and uses	
community garden	
water activities	
skate	
dog off leash area	
play equipment	
current organised sport	
event/gathering spaces	
free recreation space	
outdoor exercise equipment	
other	
landscape	

signage	informative
Other	
Green Action	
recycling	
renewable energy	
Access and links	
parking	
disabled parking/access	
shared pathways	
vehicle access roads	within precinct
traffic management	signage/crossings
signage	
Other	

maintenance/cleanliness/care for spaces	inc irrigation
trees	trees
native fauna and flora	
art, culture and history	
heritage/historic interpretation	
public art/interactive elements	
open space	
Other	
Other - not relevant	
Other - relevant	
Dissatisfied general	

general support		Survey question/comment	
-----------------	--	-------------------------	--

5.2 Appendix II Levels of support, conflict and approval - all ideas ranked highest to lowest

Topic	Option	Support	Conflict	Approval	Total Votes	Negative Votes	Neutral Votes	Positive Votes
Connectivity	Improve links with other walks	87.11%	51.79%	88.54%	96	6	5	85
Connectivity	Improve navigation	86.65%	40.80%	84.31%	102	2	14	86
Connectivity	Connect to the commercial corridor	85.93%	42.47%	87.37%	95	2	10	83
Connectivity	Opening new links	82.87%	48.42%	83.52%	91	6	9	76
Connectivity	Lightplay	80.69%	45.83%	79.12%	91	4	15	72
Connectivity	Formal parking	72.70%	45.83%	71.13%	97	13	15	69
Topic	Option	Support	Conflict	Approval	Total Votes	Negative Votes	Neutral Votes	Positive Votes
Facilities	Improved lighting	94.41%	48.82%	96.77%	93	0	3	90
Facilities	Shade structures	80.42%	51.39%	83.52%	91	10	5	76
Facilities	Multi-age Play Facilities	74.19%	52.07%	69.89%	93	13	15	65
Facilities	Formalise dog park	73.24%	57.80%	68.61%	86	15	12	59
Topic	Option	Support	Conflict	Approval	Total Votes	Negative Votes	Neutral Votes	Positive Votes
Foreshore	Protect mangroves and saltmarsh	90.57%	59.78%	91.67%	84	1	6	77
Foreshore	Foreshore upgrades	81.36%	57.96%	81.48%	81	5	10	66
Foreshore	Exercise Equipment	77.36%	57.49%	68.29%	82	8	18	56
Foreshore	Waterplay	69.88%	52.10%	59.04%	83	13	21	49
Topic	Option	Support	Conflict	Approval	Total Votes	Negative Votes	Neutral Votes	Positive Votes
Landscape	Canopy trees in parks	92.29%	40.53%	93.40%	106	4	3	99
Landscape	Verge tree planting	88.90%	41.77%	89.72%	107	6	5	96

Landscape	Median planting	86.44%	45.14%	87.50%	104	7	6	91
Landscape	Green roof habitats	83.89%	38.43%	82.08%	106	5	14	87
Landscape	Green the streets with verge gardens	79.37%	41.44%	79.82%	114	11	12	91
Topic	Option	Support	Conflict	Approval	Total Votes	Negative Votes	Neutral Votes	Positive Votes
Pocket Parks	Small Events	81.44%	49.82%	81.25%	80	2	13	65
Pocket Parks	Promote Community Caretaking	80.55%	48.53%	79.76%	84	5	12	67
Pocket Parks	Pocket park improvements	80.32%	47.75%	78.31%	83	2	16	65
Pocket Parks	Jubilee Park	75.25%	50.61%	69.88%	83	8	17	58
Topic	Option	Support	Conflict	Approval	Total Votes	Negative Votes	Neutral Votes	Positive Votes
Resilience	Solar Lighting	94.16%	54.57%	95.51%	89	0	4	85
Resilience	Raingardens	89.10%	56.08%	89.29%	84	1	8	75
Resilience	Urban heat island effect	86.02%	56.06%	85.88%	85	3	9	73
Resilience	Porous paving	84.79%	50.26%	86.75%	83	2	9	72
Resilience	Swale channels	83.21%	54.62%	77.38%	84	4	15	65
Resilience	Address sea level rise	79.24%	50.55%	77.42%	93	7	14	72
Resilience	Water Square	79.13%	47.33%	78.31%	83	4	14	65
Resilience	Constructed wetlands	78.31%	50.94%	77.78%	81	7	11	63
Topic	Option	Support	Conflict	Approval	Total Votes	Negative Votes	Neutral Votes	Positive Votes
Sporting Precinct	Upgrade sports facilities	84.57%	57.69%	83.53%	85	6	8	71
Sporting Precinct	Host Tourism Opportunities	57.69%	52.51%	47.67%	86	26	19	41
Topic	Option	Support	Conflict	Approval	Total Votes	Negative Votes	Neutral Votes	Positive Votes
The Carrington Story	Strengthen Identity of Parks	79.87%	37.52%	80.22%	91	3	15	73
The Carrington Story	Gateway	75.53%	37.97%	66.67%	90	5	25	60
The Carrington Story	Art Trail	73.81%	42.14%	63.95%	86	6	25	55
The Carrington Story	Technology driven art projects	73.56%	42.92%	64.77%	88	10	21	57

The Carrington Story	Outdoor meeting and education space	73.12%	42.14%	67.74%	93	11	19	63
The Carrington Story	Commemorate history and sites	70.75%	33.31%	62.50%	88	8	25	55

**ORDINARY COUNCIL MEETING
22 OCTOBER 2019**

**CCL 22/10/19
EXECUTIVE MONTHLY PERFORMANCE REPORT – SEPTEMBER 2019**

Item 81 - Attachment A: Executive Monthly Performance Report – September 2019

<p>DISTRIBUTED UNDER SEPARATE COVER</p>
--

Monthly Performance Report

September 2019



newcastle.nsw.gov.au



City of
Newcastle

Income Statement

Result for the financial period ending 30 September, 2019

Full Year Budget \$'000	YTD Budget \$'000	YTD Actual Result \$'000	Variance (\$) \$'000	Variance (%) \$'000
Income from Continuing Operations				
181,677 Rates & charges	45,697	45,936	239	1%
89,366 User charges & fees	21,384	20,703	(681)	-3%
10,210 Interest	2,694	2,537	(157)	-6%
12,015 Other operating revenues	2,971	3,177	206	7%
15,977 Grants & contributions - Operating	2,092	1,983	(109)	-5%
12,830 Grants & contributions - Capital	1,500	1,495	(5)	0%
Net Gain from disposal of assets				0%
322,075 Total Income from Continuing Operations	76,338	75,831	(507)	-1%
Expenses from Continuing Operations				
111,942 Employee costs	27,393	25,640	(1,753)	-6%
4,761 Borrowing costs	1,026	1,026		0%
67,646 Materials & contracts	15,570	11,098	(4,472)	-29%
48,374 Depreciation & amortisation	11,868	11,868		0%
58,623 Other operating expenses	15,077	14,083	(994)	-7%
5,948 Net Loss from disposal of assets	1,487	1,487		
297,294 Total Expenses from Continuing Operations	72,421	65,202	(7,219)	-10%
24,781 Total Operating result from continuing operations	3,917	10,629	6,712	171%
11,951 Net operating result before capital Items	2,417	9,134	6,717	278%

Operating Analysis as at 30 September, 2019

Over budget by more than 5%



Over budget by 5% or less



Result within budget



Department / Service Unit	Indicator	Var (\$'000)	Var(%)	Issue	Explanation
Operating Revenue					
Rates and charges		239	1%		
User charges & fees		(681)	-3%	Summerhill - \$0.9m	- The Summerhill waste management centre has generated below budget income due to decrease in tonnes received from tier 1 commercial waste customers.
Interest		(157)	-6%		
Other operating revenues		206	7%		
Grants & contributions - Operating		(109)	-5%		
Grants & contributions - Capital		(5)	0%		
Net Gain from disposal of assets		0	0%		
Operating Expenses					
Employee costs		(1,753)	-6%	Staff costs	- Lower than forecast staff costs due to timing of the project program and general vacancies
Borrowing costs		0	0%		
Materials & Contracts		(4,472)	-29%	Works program OPEX - \$3.7m	- Operational expenditure generated through delivery of the works program is below the forecast by approx. \$3.7m
Depreciation & Amortisation		0	0%		
Other operating expenses		(994)	-7%	State waste levy - \$0.5m	- Expenditure on the NSW State Waste Levy is below budget due to lower than forecast commercial tonnages. The lower levy is offset by below budget income.

Capital Statement

Result for the financial period ending 30 September, 2019

Full Year Budget \$'000	YTD Budget \$'000	YTD Actual Result \$'000	Variance (\$) \$'000	Variance (%) \$'000
Capital funding				
48,422 General fund contribution to capital	13,018	19,831	6,813	34%
7,326 2012 Special Rate Variation	1,832	1,832		0%
1,990 Stormwater Management Service Charge	498	498		0%
12,830 Capital Grants & Contributions	1,500	1,495	(5)	0%
1,700 Proceeds from the sale of assets	425	329	(96)	-29%
(3,868) Net Loans Borrowings / (Repayments)	(967)	(967)		0%
68,400 Funding available for capital expenditure	16,305	23,017	6,712	29%
Capital Expenditure				
18,102 Asset Renewal	3,764	4,193	429	10%
38,998 New / Upgrade	13,925	11,626	(2,299)	-20%
1,825 Priority Projects	570	145	(425)	-293%
58,925 Total capital expenditure	18,259	15,964	(2,295)	-14%
9,475 Transfer to or (Draw down on) reserves	(1,954)	7,053	9,007	128%

Commentary on capital spend

Council's total capital spend at the end of September is \$16m. This result is \$2.3m below the YTD budget of \$18.3m. The total project spend inclusive of operational and capital expenditure is \$18.9m compared with a YTD budget of \$24.7m.

Debtors Report as at 30 September, 2019

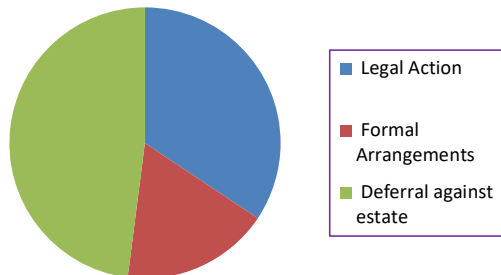
Outstanding Rates

Debt Recovery Action	No. of Properties	\$ Amount
Legal Action	111	500,823
Formal Arrangements	242	257,692
Deferral against estate	37	699,665
Total	390	1,458,181

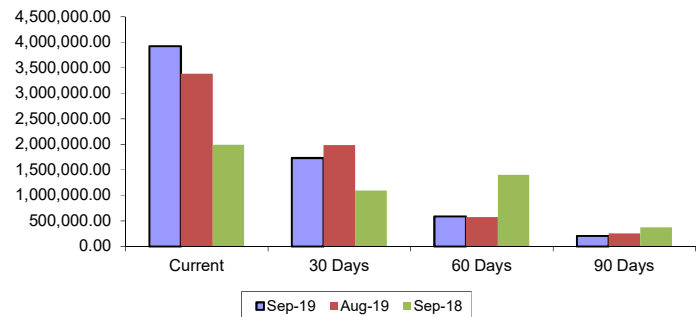
Aged Debtors Report (Major Debtors Report)

	Sep-19	Aug-19	Sep-18
Period	\$	\$	\$
Current	3,923,103	3,384,268	1,991,325
30 Days	1,731,417	1,982,450	1,097,448
60 Days	589,424	574,970	1,405,087
90 Days	208,560	254,286	377,570
Total	6,452,504	6,195,974	4,871,430

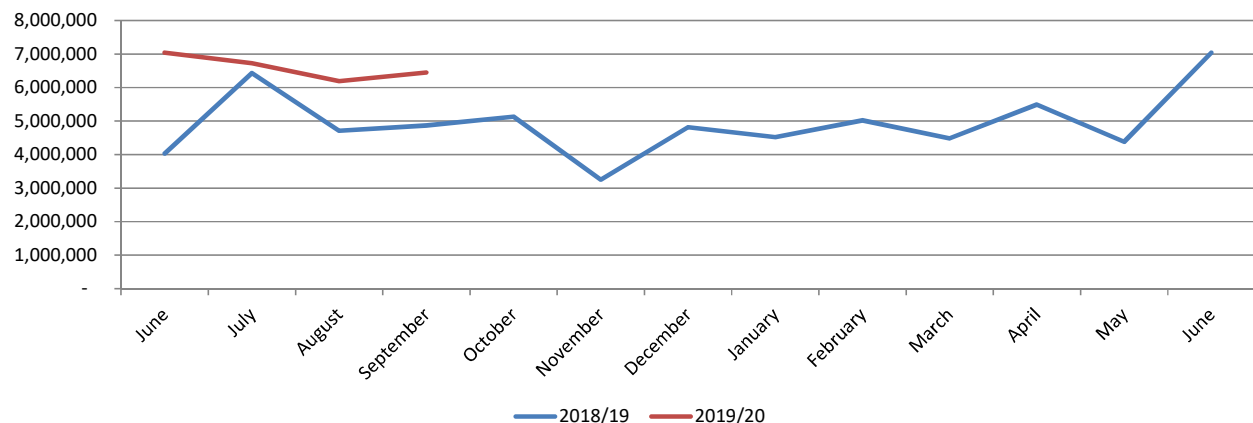
Outstanding Rates (\$)



Debtors balances



Trend of Debtors Balance (\$)



Breakdown of Material Debtors greater than \$100,000

Debtor	Business Unit	Total \$	Current \$	30 Days \$	60 Days \$	90 Days \$
NSW Land & Housing	Waste Management	\$ 1,045,121	1,045,121	-	-	-
Cleanaway	Waste Management	\$ 373,480	373,480	-	-	-
Veolia Environmental	Waste Management	\$ 1,243,430	434,906	452,939	355,585	-
Enviropacific	Waste Management	\$ 1,031,846	419,676	612,170	-	-
Maitland City Council	Waste Management	\$ 956,438	456,565	499,874	-	-
Cleanaway	Waste Management	\$ 225,163	225,163	-	-	-
RTC Services	Waste Management	\$ 104,547	171	838	103,538	-
Treasury/Crown Finance	Strategy & Engagement	\$ 382,624	382,624	-	-	-

Commentary on Material Debtors greater than 90 days

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Works Program Summary

For the month ending 30 September, 2019

Full Year Revised Budget \$,000	Portfolio/Program	YTD Revised Budget \$,000	YTD Actual Result \$,000	Variance to YTD budget (%)	% of FY Budget Spent
14,221	Buildings, Structures and Places	7,932	5,644	-29%	40%
150	Aquatic Centres	38	5	-87%	3%
30	Blackbutt Reserve	7		-100%	0%
5,340	Buildings - Council Support Services	4,745	4,102	-14%	77%
	Caravan Parks and Commercial Properties			0%	0%
50	Cemeteries	12		-100%	0%
996	City Centre Revitalisation	249	92	-63%	9%
2,375	Coastal Revitalisation	875	74	-92%	3%
	Community Buildings		34	0%	0%
2,122	Cultural Facilities	1,097	551	-50%	26%
603	Libraries	270	180	-33%	30%
1,505	Recreation Parks and Sporting Facilities	376	470	25%	31%
50	Public Toilets	13	128	885%	256%
1,000	Retaining Walls	250	8	-97%	1%
9,730	Roads	2,423	2,180	-10%	22%
2,500	Bridges	600	28	-95%	1%
350	Footpaths	101	154	52%	44%
730	Road Furniture	179	40	-78%	5%
3,150	Road Rehabilitation	793	1,585	100%	50%
3,000	Road Resurfacing	750	373	-50%	12%
4,035	Transport	1,375	738	-46%	18%
1,110	Cycleways	278	43	-85%	4%
1,085	Local Area Traffic Management	285	342	20%	32%
230	Parking Infrastructure	95	5	-95%	2%
1,610	Pedestrian Access and Mobility Plan	717	348	-51%	22%
5,440	Stormwater	1,397	1,972	41%	36%
75	Flood Planning	17	12	-29%	16%
5,365	Stormwater System	1,380	1,960	42%	37%
35,831	Environment	8,059	6,720	-17%	19%
1,210	Bushland and Watercourses	303	181	-40%	15%
1,430	Coast, Estuary and Wetlands	357	230	-36%	16%
950	Street and Park Trees	238	242	2%	25%
32,241	Waste Management	7,161	6,067	-15%	19%
4,595	Information Technology	1,793	721	-60%	16%
1,155	Implementation and Upgrade of Applications	358	506	41%	44%
3,170	Infrastructure Improvements	1,367	142	-90%	4%
270	Strategic and Systems Analysis	68	73	7%	27%
2,095	Strategic	524	378	-28%	18%
2,005	Smart City	501	320	-36%	16%
90	Strategic Plans	23	58	152%	64%
5,000	Fleet Replacement	1,250	602	-52%	12%
5,000	Fleet Replacement	1,250	602	-52%	12%
80,947	Total Works Program	24,753	18,955	-23%	23%

Note: The Budget above is inclusive of operational and capital works

Councillors' Expense Register 2019/2020 - YTD SEP 2019

	OFFICIAL BUSINESS	ACCOMPANYING PERSON (Official Business)	OVERSEAS TRAVEL	PROFESSIONAL DEVELOPMENT	AICD COURSE FEES	LGNSW / NGA ANNUAL CONFERENCE	COMMUNICATION DEVICES	COMMUNICATION EXPENSES	CARER EXPENSES	STATIONARY and OFFICE SUPPLIES	TOTAL EXPENDITURE
LORD MAYOR	\$4,000	\$1,000		\$5,000	\$4,000		\$4,000	\$3,000	\$6,000	\$500	
Policy Provision	Annual (per year)	Annual (per year)	In accordance with a Council resolution	Annual (per year)	Once only (per term) (may be combined with Professional Development expenses in the year undertaken)	(see below)	Once only (per term)	Annual (per year)	Annual (per year)	Annual (per year)	
NELMES Nuatali	326.54	-	-	-		-	3,921.53	282.70	-	-	4,530.77
ALL COUNCILLORS	\$2,000	\$500		\$5,000	\$4,000	\$20,000	\$4,000	\$3,000	\$6,000	\$500	
Policy Provision	Annual (per year)	Annual (per year)	In accordance with a Council resolution	Annual (per year)	Once only (per term) (may be combined with Professional Development expenses in the year undertaken)	Annual (per year) (shared among elected representatives inclusive of both events)	Once only (per term)	Annual (per year)	Annual (per year)	Annual (per year)	
BYRNE Matthew	-	-	-	-		-	3,586.53	313.62	-	-	3,900.15
CHURCH John	-	-	-	-		-	-	120.00	-	-	120.00
CLAUSEN Declan	204.54	-	-	-		-	3,821.53	313.62	-	-	4,339.69
DUNCAN Carol	-	-	20,454.49	-		-	3,586.53	313.62	-	-	24,354.64
DUNN Jason	-	-	-	-		-	3,586.53	313.62	-	-	3,900.15
ELLIOTT Kath	411.08	-	-	409.09		-	3,586.53	313.62	-	-	4,720.32
LUKE Brad	-	-	-	-		-	3,586.53	313.62	-	-	3,900.15
MACKENZIE John	-	-	-	-		-	3,586.53	313.62	-	-	3,900.15
ROBINSON Allan	-	-	-	-		-	3,586.53	313.62	-	300.00	4,200.15
RUFO Andrea	-	-	-	-		-	3,586.53	313.62	-	-	3,900.15
WHITE Emma	-	-	-	-		-	3,586.53	313.62	-	-	3,900.15
WINNEY-BAARTZ Peta	68.18	-	-	-	8,918.00	-	3,586.53	313.62	-	-	12,886.33
TOTAL (exc LM)	683.80	-	20,454.49	409.09	8,918.00	-	39,686.83	3,569.82	-	300.00	74,022.03
TOTAL (inc LM)	1,010.34	-	20,454.49	409.09	8,918.00	-	43,608.36	3,852.52	-	300.00	78,552.80



WARD 4 CAPITAL WORKS UPDATE

AS AT 30 SEPTEMBER 2019

(i) Wallsend bridge replacement/upgrade

Item	Due Date	Actual Date	Reason for delay/Status of works
Tyrrell St bridge – construction	2018	Expected mid 2020	Construction commenced 16 September. Bridge deck has been demolished and project is on schedule.
Boscawen St bridge detailed design	2020/2021		Scheduled for 2020/2021 Financial Year.
Cowper St bridge	June 2019		Works to be included within the detailed design for Stage 2 – Kokera St/Cowper St intersection.
Nelson St bridge concept design		Completed	Completed
Channel Widening concept design		Completed	Completed
Channel Naturalisation	Dec 2019		Tenderer has been selected to investigate opportunities to improve the amenity of Ironbark Creek through achieving a more naturalised look and improve pedestrian and cycle way connectivity. Options will need to consider safety and impact on conveyance as a priority. This is being examined in conjunction with the development of the Local Centre Upgrade for consistency.

(ii) Wallsend and Beresfield Local Centre Public Domain Plans

Item	Due Date	Actual Date	Reason for delay/Status of works
Wallsend Public Domain Plan – Report to Council for adoption of PDP	July 2017	Council adopted 22 May 2018	Completed
Wallsend Public Domain Plan was broken into stages for preliminary costing and budgeted in CN's forward program	2018	2018	Integration with Ironbark Creek, Wallsend Flooding Assessment and Wallsend Drainage design underway to ensure strategic consistency throughout the precinct. A draft schedule has been prepared for timing of stages.
Stage 1 – Bunn St bus stop relocation (outside Childcare centre) accelerated	Design March 2019 Construction Q1 2019/20		Works are approximately 50% complete. Completion in approximately 6 weeks.
Stage 2 – Kokera St/Cowper St intersection Detailed design and implementation Nelson St/Cowper St intersection Newcastle St/Cowper St intersection	June 2019		Draft schedule splits detailed design into sections over the next three financial years: • Kokera St/Cowper St detailed design to be complete by December 2019 • Construction tender by end of 2019/2020 financial year, ready for construction 2021/2022
Beresfield Local Centre Public Domain and Traffic Plan	Completion of Construction July 2019	Completed August 2019	Beresfield Local Centre officially opened on the 20 September 2019.
Shortland Local Centre	Initiation		Project planning for improvement works is budgeted for the 2019/20 financial year. Project Manager assigned and schedule to be prepared in October.

Investment Policy compliance report

September 2019

Executive summary:

1 Socially Responsible Investment:

Application of the investment function has remained consistent with requirements outlined within Part E of CN's Investment Policy, "*Environmentally and Socially Responsible Investments (SRI)*".

2 Portfolio holdings:

CN's overall investment portfolio holdings are \$359.8million, with \$20.8million of these monies invested in the Capital Growth focused Long Term Growth Fund.

3 Performance:

CN has a mandated separate Key Performance Indicator's (KPI's) for income producing/defensive investments and Capital Growth investments. Both categories continue to perform strongly in comparison to their respective KPI's as demonstrated later in this report.

4 Risk management compliance:

CN's temporary surplus funds are invested consistent with its adopted Investment and Borrowing Policy and The Local Government Act and Regulations.

Actual performance against CN's Policy limits is disclosed later in this report.

5 New and matured investments:

New investments placed during September 2019 continued to focus on meeting the objectives outlined in CN's Investment and Borrowing Policy.

Further disclosure of investment portfolio composition and details of investment placements performed during the reporting period are detailed later in this report.

6 Interest Income Year To Date:

Cumulative 2019/20 interest income from CN's cash and investments was \$2.50million (excluding Newcastle Airport and non-investment portfolio sources of interest). This result is 5% below the budgeted year to date estimate of \$2.63million.

7 Interest Income 2019/20:

The adopted budget for 2019/20 investment income is \$9.64million (excluding Newcastle Airport and non-investment portfolio sources of interest income).

In the time since the construction of the 2019/20 budget several underlying assumptions, derived from financial markets, are no longer reasonable. Resultantly, it is improbable that the full year adopted budget will be achievable.

Analysis of a revised 2019/20 budget remains ongoing and will be presented to Councillors as part of the September 2019 quarterly review.

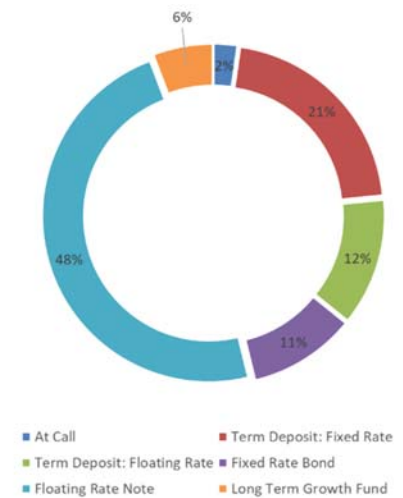
8 At the Ordinary Council Meeting held on 24 September 2019 Council adopted to to receive only the current month's Schedule of Investments as part of the Executive Monthly Performance Report.

Investment Policy compliance report

September 2019

Portfolio holdings:

Asset Class allocation		
Investment Category	Investment type	CN exposure (\$'000)
Income producing / Defensive	Cash At Call	8,107
	Term Deposit: Fixed rate	76,279
	Term Deposit: Floating rate	44,500
	Floating Rate Note	172,832
	Fixed Rate Bond	37,389
Capital Growth	Long Term Growth Fund	20,750
Total		359,857



Performance:

Income producing/defensive category*:

	3 year (% p.a.)	1 year %	3 months %	FYTD %	1 month %
CN's return	2.95%	2.89%	0.62%	0.62%	0.19%
Performance objective	2.29%	2.24%	0.41%	0.41%	0.12%
Excess return	0.66%	0.65%	0.21%	0.21%	0.07%

*Exclusive of Capital Growth (disclosed separately below).

Capital Growth category^:

	3 year (% p.a.)	1 year %	3 months %	FYTD %	1 month %	Since Inception
CN's return	n/a	n/a	2.14%	2.14%	0.92%	7.69%
Performance objective	5.37%	5.09%	1.46%	1.46%	0.48%	3.28%
Excess return	n/a	n/a	0.68%	0.68%	0.44%	4.41%

^ Capital Growth category consists solely of CN's exposure to TCorp Individually Managed Growth Funds.

Investment Policy compliance report

September 2019

Risk Management compliance:

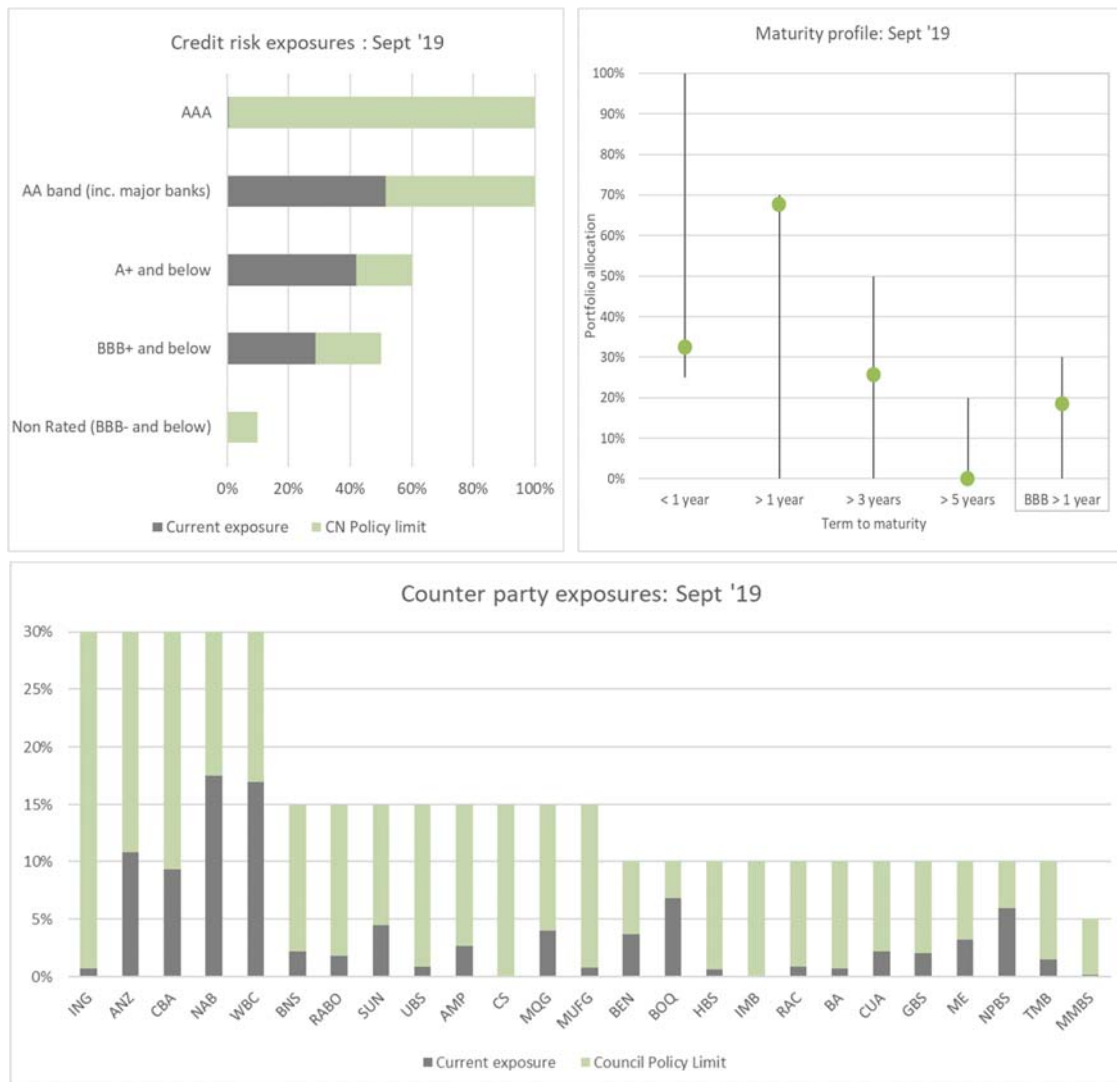
Portfolio exposure:

Investment category	Minimum exposure	Maximum exposure	CN exposure
Income producing / Defensive	80%	100%	94%
Capital Growth [^]	0%	20%	6%

[^] Capital Growth category consists solely of CN's exposure to TCorp Individually Managed Growth Funds.

Income producing / Defensive risk limits:

The below risk limits apply only to the income producing / Defensive category of CN's investment portfolio.



ING = ING Bank (Australia) maintains a long term credit rating with S&P of "A". However, CN's sole ING investment is assigned a "AAA" rating due to additional credit support of the investment class.

Investment Policy compliance report

September 2019

New and matured Investments:

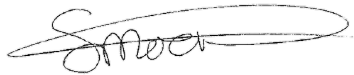
New Investments:

Contract date	Settlement date	Institution	Asset Class	Principal value	Rate of Return	Term	Maturity date
2 Sept 2019	2 Sept 2019	Macquarie Bank	Term Deposit: Fixed rate	\$4,000,000	1.80%	102 days	12 Dec 2019
6 Sept 2019	6 Sept 2019	NAB	Term Deposit: Fixed rate	\$5,000,000	1.72%	123 days	7 Jan 2020
11 Sept 2019	11 Sept 2019	Maitland Mutual	Term Deposit: Fixed rate	\$639,423	1.90%	268 days	5 June 2020
20 Sept 2019	23 Sept 2019	T Corp NSW	Long Term Growth Fund	\$3,000,000	N/A*	N/A**	N/A**
20 Sept 2019	20 Sept 2019	NAB	Term Deposit: Fixed rate	\$4,000,000	1.70%	210 days	17 Apr 2020
28 Aug 2019	6 Sept 2019	Bendigo Bank	Fixed Rate Bond	\$4,593,974	1.7275%	5 years	6 Sept 2024

Matured Investments:

Date matured	Institution	Asset Class	Principal value	Rate of Return	Original Term	Original date invested
6 Sept 2019	NAB	Term Deposit: Fixed rate	\$5,000,000	2.44%	135 days	24 Apr 2019
11 Sept 2019	Maitland Mutual	Term Deposit: Fixed rate	\$639,423	2.80%	1 year	11 Sept 2018
13 Sept 2019	Bank of QLD	Term Deposit: Fixed rate	\$5,000,000	2.70%	175 days	22 Mar 2019
17 Sept 2019	Bendigo bank	Floating rate note	\$2,500,000	90d bbsw + 0.93%	5 years	17 Sept 2014
20 Sept 2019	NAB	Term Deposit: Fixed rate	\$4,000,000	2.35%	141 days	2 May 2019

I certify that the new investments detailed above have been made in accordance with the Local Government Act 1993, the Local Government (General) Regulation 2005, and Council's adopted Investment Policy.



Scott Moore
Responsible Accounting Officer

* TCorpIM Growth Funds do not have a contracted rate of return. However, TCorp provides guidance on Long-Term Return expectations over a 10year period of CPI + 3.50%p.a with a greater than 50% probability.

**TCorpIM Growth Funds do not have a contracted maturity date. However, CN's Internal Strategy specifies that the minimum time horizon for the Long-Term Growth Fund is 5 years from the date of initial deposit.