



Six monthly progress on
the Delivery Program 2013-2017

DECEMBER 2016



Newcastle City Council acknowledges that we are meeting on the traditional country of the Awabakal and Worimi peoples.

We recognise and respect their cultural heritage, beliefs and continuing relationship with the land, and that they are the proud survivors of more than two hundred years of dispossession.

Council reiterates its commitment to address disadvantages and attain justice for Aboriginal and Torres Strait Islander peoples of this community.

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WHO WE ARE

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

The Administration

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

The Interim Chief Executive Officer (ICEO) leads the administrative arm of Newcastle City Council and is responsible for the efficient and effective operation of the business and ensuring that the decisions of Council are implemented.

The ICEO reports to the full elected Council.

Elected Council

Twelve councillors and a popularly elected Lord Mayor make up the elected body of Newcastle City Council. The Newcastle Local Government Area (LGA) is divided into four wards, with each ward represented by three councillors who are elected for a four year term.

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

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

A councillor represents residents and ratepayers, provides leadership and guidance to the community, and facilitates communication between the community and Council.

Council's adopted meeting schedule is available at www.newcastle.nsw.gov.au

ADMINISTRATION



Interim Chief Executive Officer

Peter Chrystal



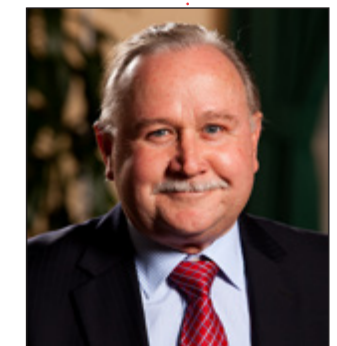
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Infrastructure Planning

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Information Technology

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Human Resources

Peter Collins (Acting)

Projects and Contracts

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Cultural Facilities

Liz Burcham

Commercial Property

Paul Nelson

Facilities and Recreation

Phil Moore

Libraries

Suzie Gately

Customer Service

Rod Bales

Waste Management

Darren North

Communications and Engagement

Kathleen Hyland

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ELECTED COUNCIL 2012-2016



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Ward 1

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

Ward 2

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

Ward 3

Georgetown, Jesmond, Kotara, Lambton, New Lambton, New Lambton Heights, North Lambton, Wallsend (part) Waratah, Waratah West

Ward 4

Beresfield, Birmingham Gardens, Black Hill, Callaghan, Elernmore Vale, Fletcher, Hexham, Lenaghan, Maryland, Minmi, Rankin Park, Sandgate, Shortland, Tarro, Wallsend (Part)



*Former Cr Tim Crakanthorp's term of office expired on 29 October 2016 due to his role as state Member for Newcastle.
Former Cr Lisa Tierney resigned on 28 February 2017.

IP&R OVERVIEW

On 1 October 2009, the NSW Government adopted new Integrated Planning and Reporting (IP&R) legislation for local councils. The Integrated Planning and Reporting Framework in response to this legislation is demonstrated in the diagram below.



Perpetual monitoring and review

Council is required under section 404(5) to provide progress reports on the Delivery and Operational Plan at least every six months. Council's six monthly progress report details Newcastle City Council's progress on the principal activities detailed in the Delivery Program.

SPECIAL RATE VARIATION

2012 Special Rate Variation

In 2012 Newcastle City Council was successful in its application to Independent Pricing and Regulatory Tribunal (IPART) for a section 508(2) special rate variation (2012 SRV) of 5% above the cap for one year. The variation occurred in the 2012/13 financial year increasing the base rate charge. The variation was granted to provide Council the ability to undertake works of a capital nature on the projects identified below over a 10 year period.

The four year Delivery Program (2013-2017) adopted by Council includes budget principles of which the following are specific to project delivery:

- That no project commences until funding for the full cost of the project is secured or has certainty.
- The special projects capital be prioritised in accordance with community ranking from the Micromex Research 2011 Report and timing for delivery matched to cash flow. These priorities are set according to the support as follows:

- 1. Revitalising Hunter Street**
- 2. Revitalising our coast**
- 3. Upgrading Blackbutt Reserve**
- 4. Providing new cycleways**
- 5. Improving our swimming pools**
- 6. Modernising our libraries**
- 7. Expanding parking meters**
(Note: Council resolved not to expand the parking meter network.)
- 8. Off-street parking stations**
(Note: in 2012, Council sold two of three parking stations.)
- 9. Expanding our Art Gallery**
Currently Council are focused on delivering the first four priority projects.

In total \$22.4m has been raised from this 2012 SRV (including \$2.9m from 1 July 2016 - 30 December 2016) against expenditure to date delivering planned works of \$29.3m.

| Priority | 2012 SRV | Total spend to date \$,000 | Actual spend YTD \$,000 |
|--------------|------------------------------|----------------------------|-------------------------|
| 1 | Hunter Street Revitalisation | 1,722 | 306 |
| 2 | Coastal Revitalisation | 19,958 | 451 |
| 3 | Blackbutt Reserve | 2,463 | 38 |
| 4 | Cycleways | 3,504 | 1,891 |
| 5 | Remaining projects | 1,679 | 0 |
| Total | | 29,326 | 2,686 |

Progress comments for these projects can be seen on page 24 - 27 *Measuring our success*.

2015 Special Rate Variation - Road to Recovery

The 'Road to Recovery' SRV was approved by IPART in May 2015 and will increase Council's revenue by 46.9% inclusive of the rate cap over the five years to 2019/20 (an annual increase of between \$8.5m and \$11.7m over the five years).

This revenue provided by the 2015 SRV has been critical to ensure Council achieves financial sustainability. It will also allow Council to accelerate the completion of our priority projects as well as make substantial reductions to our infrastructure backlog.

In total \$12 million has been raised from the 2015 SRV since 1 July 2015. The majority of these funds (approximately \$8.9m) will maintain Council's reserves to fund a sustainable asset renewal program. The remaining \$3.1 million of SRV funding received to date is being applied to improving Council's services and associated assets of which a total of \$2.1 million has been expended to date.

2016/17 is Council's second year of the 2015 SRV and funds have been allocated to:

| 2015 SRV | Budget YTD \$,000 | Actual spend YTD \$,000 |
|--|-------------------|-------------------------|
| Online DA tracking | 100 | - |
| Schedule more pedestrian and local traffic improvements | 250 | 205 |
| Accelerate delivery of Blackbutt Reserve improvements | 250 | 100 |
| Actively contribute to the revitalisation of Newcastle | 51 | 7 |
| Boost road maintenance mowing and concrete footpath repair | 250 | 100 |
| Improved operational services | 385 | 83 |
| Total | 1,286 | 803 |

The Asset Renewal Program is discussed further on page 32-35.

CONNECTED CITY

In 2030 our transport networks and services will be well connected and convenient.

Walking, cycling and public transport will be viable options for getting around the city.

Council continues to provide new cycleways and shared pathways across the city, projects designed and constructed in the second half of 2016 included:

- 230m of off-road shared pedestrian and cyclist pathway on the northern side of Donald Street from Samdon to Swan Street in Hamilton. This section provides an important link in Council's Inner City Bike Lanes Project, which will deliver an off-road shared pedestrian and cyclist pathway along the northern side of Griffith and Donald streets from Jackson Street to Selma Street in Hamilton.
- a shared pathway through Islington Park was upgraded to improve the existing cycling and walking infrastructure and increase user safety.
- a new 2.5m wide shared pathway in Empire Park to replace the existing footpath between Kilgour Avenue and Memorial Drive.
- the construction of a shared pathway cantilevered above the existing retaining wall between Nelson Street, Wallsend and the pathway at the Silsoe Street, Hamilton stairs, and a pedestrian/cyclist refuge near Nelson Street, Wallsend. This allows pedestrians and westbound cyclists to cross Scholey Street, Mayfield at the end of the shared pathway.
- a shared path on the northern side of Park Avenue, Kotara between Northcott Drive and Kullaiba Road, and on the southern side of Park Avenue between Lexington Avenue and the regional cycleway at Kullaiba Road.
- investigating the construction of the Richmond Vale Rail Trail in partnership with Cessnock and Lake Macquarie councils. The proposed cycleway is a 32km route along an old railway corridor running from Pelaw Main to Minmi and across Hexham. The trail will allow pedestrians and cyclists to enjoy the Hunter Wetlands National Park and link with another path from Shortland to Tarro at Hexham.

Victory Parade combined crossing

Construction of a combined pedestrian-cycle crossing on Victory Parade in Wallsend was completed at the end of June 2016. The upgraded crossing enables cyclists from southern parts of Wallsend and Elmore Vale to access the Wallsend to Newcastle City cycleway at Jesmond Park via the recently constructed shared pathway through Wallsend Brickworks Park.

The crossing is the first of its type installed in the Hunter Region, and is now being trialled to determine its safety and possible application in other locations.

Pedestrian upgrades

Blue Gum Road in Jesmond was converted to a 40km/h high pedestrian area between Newcastle Road and Janet Street to improve safety for motorists, pedestrians and cyclists. Safety improvements were also completed on the corner of Blue Gum Road and Hirst Street to improve pedestrian safety in the area.

Lambton traffic improvements

Traffic improvements were completed to two intersections in Lambton to improve both safety and usability. Traffic lights were installed at the intersection of Hobart Road and Durham Road along with a number of other safety improvements. We also constructed kerb extensions at the pedestrian crossing on Howe Street and a pedestrian refuge island in Morehead Street to assist people crossing these roads. Additional improvements were made to this intersection to reduce cross-traffic crashes and reduce the distance for pedestrians crossing the roads.

PERFORMANCE

Eleven actions were set in Council's 2016/17 Operational Plan to support the community objectives under the Community Strategic Plan, with delivery results as follows.

| Actions/Project | Responsibility | As at Dec 2016 |
|---|-------------------------|----------------|
| Develop and deliver the civil capital works program including cycleway, pedestrian access mobility program, traffic facilities and grant funded work | Infrastructure Planning | ✓ |
| Prepare, lodge and manage grant applications and works including roads to recovery, roads and maritime services, blackspot and 3x3 programs | Infrastructure Planning | ✓ |
| Implement the cycleway special rate variation projects and manage the cycling working party | Infrastructure Planning | ✓ |
| Develop and implement the road resurfacing program, city wide roads signs and line replacement and city wide roads rejuvenation program | Civil Works | ✓ |
| Implement the city wide bus shelter replacement program | Infrastructure Planning | ★ |
| Implementation of the Hunter Street Revitalisation Project - Civic public domain plan | Strategic Planning | ✓ |
| Manage Council's off street multi-use car park to meet the parking demands and a commercially competitive environment | Regulatory Services | ✓ |
| Enforce the parking provisions of the NSW road rules to achieve traffic and pedestrian safety and turnover of parking spaces | Regulatory Services | ✓ |
| Undertake the approved program of local traffic studies, including development of plan, community consultation, reporting to Newcastle City Traffic Committee and Council | Infrastructure Planning | ✓ |
| Liaise with Roads and Maritime Services on new developments with the state road network | Infrastructure Planning | ✓ |
| Improve rideability of road network | Infrastructure Planning | ✓ |

★ Completed **1**, ✓ On track **10**, ⇌ Behind schedule **0**, ⊘ Revised **0**.

PROTECTED AND ENHANCED ENVIRONMENT

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

Tree planting

During this period Council planted 322 trees throughout the LGA and achieved a milestone of 10,000 trees planted, out of our target goal of 30,000 by 2028.

Environmental education

Natural Connection is an environmental education program aimed at improving catchment health through introducing the community to their local waterways and bushland and creating a basis for behavioural change. Our Natural Connection's program delivered a range of community engagement activities in the last half of 2016 including our Creeks Alive school program, Spring Water Bug Survey and Throsby Creek Catchment Tour.

Merewether sea wall rehabilitation

Council rehabilitated the lower sea wall and adjacent ramps at Merewether Beach, between Merewether Surf House and the surf club. The existing wall was failing and rehabilitation was required to ensure its long term stability, increase public safety and improve access to the beach.

The work included the construction of approximately 100m of new concrete seawall, retaining walls and promenade, and repair of the beach access ramps.

South Newcastle seawall rehabilitation

Council began remediation works on the Newcastle South seawall between Newcastle Skate Park and King Edward Park. A 200m section of seawall will be constructed along with a corresponding section of Bathers Way.

Stockton Beach seawall rehabilitation

Council is constructing a 140m rock seawall from Stockton Surf Club to Lexie's on the Beach. Construction commenced in October 2016 and will continue into 2017. Stockton Beach has an ongoing erosion issue that is exacerbated during storm events and large swell. The completed seawall will ensure the long term stability and protection of coastal assets while maintaining current levels of beach access and amenity.

Stormwater management

Upgrading the aging drainage network across our historic city is a key element in maintaining our built and natural environment. Council completed both large and small scale drainage rehabilitation projects such as:

- Llewellyn Street, Merewether - new drainage, footpath, kerb and gutter, and resurfacing between Railway and Selwyn Streets to increase the efficiency of the stormwater network and reduce localised flooding within the street.
- Drainage pipes and pit upgrades along Sunderland Street, Mayfield, from Roe to Valencia Street and along Valencia Street from Sunderland to Villiers Street. The existing concrete footpath along both sections was also replaced.
- Edward Street, Merewether - footpath upgrade on the southern side between Hugh and William Streets and upgraded drainage on the northern side of the street to capture increasing water flows.
- Boronia Avenue, Adamstown Heights - stormwater infrastructure rehabilitated by replacing the deteriorated stormwater pipes, upgrading and increasing the number of stormwater pits and reconfiguring the headwall outlet adjacent to Claremont Reserve. This project will improve stormwater flows and minimise blockages, providing better stormwater outcomes for surrounding properties.
- Bourke Street, Carrington - stormwater infrastructure rehabilitated to provide stormwater flow and tidal inundation improvements. Works included new stormwater pits and culverts and a tide gate in the pipeline downstream of Coe Street.
- Drainage work from Gregory Crescent Merewether, through Lloyd Street Reserve to Scenic Drive to connect the street drainage with the main drainage network.
- Drainage works in three Stockton Laneways to address localised stormwater ponding. Infiltration trenches were installed in Little William Street, the unnamed laneway between 94 Douglas Street and 103 Dunbar Street and the laneway adjacent 78 Roxburgh Street to reduce water ponding within the laneway, reduce inundation of adjoining properties and improve water quality. Road rehabilitation followed and included reshaping and resealing the laneways so the road surface directs stormwater to the new infiltration trenches.

PERFORMANCE

Eighteen actions were set in Council's 2016/17 Operational Plan to support the community objectives under the Community Strategic Plan, with delivery results as follows.

| Actions/Project | Responsibility | As at Dec 2016 |
|---|---------------------------|----------------|
| Drainage rehabilitation - replacement of deteriorated stormwater infrastructure | Civil Works | ✓ |
| Proactively monitor and regulate activities to minimise environmental impact, including implementing Council's business pollution prevention program and erosion and sediment control program | Regulatory Services | ✓ |
| Manage contaminated land information and seek appropriate remediation through the development application process | Regulatory Services | ✓ |
| Proactively monitor and regulate onsite sewage management systems to minimise the risk of water pollution and public health impacts. | Regulatory Services | ✓ |
| Work with the community to achieve measurable environment improvement in waste reduction through the development, delivery, evaluation and refinement of waste programs, learning modules and internal educations | Waste Management | ✓ |
| Implement the tree inspection program in line with the City Wide Maintenance Policy | Civil works | ✓ |
| Develop a waste education strategy with a focus on promoting waste avoidance and behavioural change, to encourage increased participation in residential waste reduction, resource recovery and recycling initiatives, as well as working to reduce household contamination rates | Waste Management | ⊖ |
| Promote and manage community based groups in provisions of environmental projects to help restore natural areas in accordance with relevant plans of management | Facilities and Recreation | ✓ |
| Deliver projects to achieve energy and water savings under the Environment and Climate control Strategy investment identified in the Newcastle 2020 Carbon and Water Management Plan | Projects and Contracts | ✓ |
| Design, development and construction of landfill for cell 9 at Summerhill Waste Management Centre (SWMC) | Waste Management | ✓ |
| Expansion and enhancement of the small vehicle receival centre at SWMC | Waste Management | ✓ |
| Design, development and construction of a major resource recovery facility at SWMC | Waste Management | ⊖ |
| Provide a city wide stormwater quantity and quality model | Infrastructure Planning | ✓ |
| Implement the community urban forest program | Civil works | ✓ |
| Work with partners to improve Council's flood education resources to improve community awareness | Projects and Contracts | ✓ |
| Maintain flash flood equipment | Infrastructure Planning | ✓ |
| Inspect creeks and waste ways for erosions and sediment control | Infrastructure Planning | ✓ |
| Completion of the renewal works at South Newcastle sea wall | Projects and Contracts | ✓ |

★ Completed 0, ✓ On track 16, ⇌ Behind schedule 0, ⊖ Revised 2.

VIBRANT AND ACTIVATED PUBLIC PLACES

In 2030 we will be a city of great public places and neighbourhoods promoting people's happiness and wellbeing.

City's floral displays thrive on experience

The radiant flower displays in Newcastle's parks and reserves come alive in November as Council's resident green thumbs use their combined decades of experience for the second annual planting. The teams create a design for the flower beds each season, determine the type and number of plants needed, prepare the soil and follow on from planting with fertilising and regular weeding.

Newcastle's gardens by the numbers:

- All of Newcastle: 32,000 individual seedlings in 4,000 separate punnets
- King Edward Park: 8,300 seedlings in 2,075 punnets
- Gregson Park: 3,450 seedlings in 430 punnets
- Civic Park: 14,000 seedlings in 175 punnets
- Christie Place: 3,750 seedlings in 468 punnets

Supercars great win for city and region

Council announced in September that we will partner with Destination NSW and Virgin Australia Supercars to host the annual season-ending round of the Virgin Australian Supercar Championships (VASC) from 2017 (for 5 years) on a track around the inner city and harbour foreshore. The Supercars Newcastle 500 will inject \$57m into the local economy and attract more than 80,000 interstate and international visitors to the event over five years. VASC events are telecast to Asia, Africa, Europe, the Americas and the Middle East with an estimated viewing audience of around 220 million households.

Spanish Street Party celebrates Olsen

Newcastle Art Gallery honoured John Olsen with a major exhibition co-curated by the artist. Nearly 5,500 people came out to a Spanish Street Party in Laman Street to open the exhibition and celebrate this Australian living treasure, born in Newcastle in 1928. The exhibition *JOHN OLSEN: The City's Son* included the unveiling of a major new Olsen painting King Sun and the Hunter, which Olsen created to 'capture the essence of Newcastle.' It was purchased for the Gallery's collection through a fundraising campaign organised by the Newcastle Art Gallery Foundation.

Hat trick for best festival and events city

Newcastle won a prestigious international award for great festivals and events for the third year running, outranking cities of a similar population tally to be named the 2016 recipient of the International Festivals & Events Association World Festival & Event City. This 'hat trick' confirms Newcastle as a world class participant in the festival and event sector, providing visitor experiences from sporting events to arts and cultural festivals, markets, conventions and exhibition. In 2016/17, Newcastle hosted a range of events that resulted in increased visitation to the city and development of local event facilities and tour products. Newcastle also won the gong in 2012, meaning it has won the award in four out of the past five years.

Renewing our parks and playgrounds

Council owns and maintains more than 400 parks and reserves, including around 120 playgrounds. We aim to improve and maintain these recreation spaces for young and old to enjoy. A number of projects were completed in the second half of 2016:

Playground renewals were completed at Nesca Park, The Hill; Cowie Street Reserve, Mayfield; and Willow Close Reserve, Elmore Vale.

Two exercise stations were added at Lambton Park, which include chin-up and push-up bars and parallel bars. Additional stations are subject to funding.

We installed outdoor fitness equipment at Warabrook Wetlands Reserve, including step-up and sit-up boards, chin-up and push-up bars.

In the next six months, Council plans to revamp playgrounds at Campbell Park, Merewether; Tarro Reserve and Centennial Park, Cooks Hill.

Newcastle Museum turns 5

In August Newcastle Museum threw a big birthday bash, opening its doors and its lawn for a celebration of its first five years in the Honeysuckle location. As a custodian of our history, stories and experiences, the Museum chronicles events and people that have made Newcastle who we are as a modern city and region. Over the past five years, it has hosted 55 exhibitions and welcomed 850,000 visitors through its doors. The birthday event showcased renewed and refreshed exhibitions including; new stories and objects for the BHP gallery; new modules for Supernova; and new permanent exhibitions and collection objects throughout A Newcastle Story, many from the newly donated George and Richard Owens Grocery Collection.

PERFORMANCE

Twenty six actions were set in Council's 2016/17 Operational Plan to support the Community objectives under the Community Strategic Plan, with delivery results as follows.

| Actions/Project | Responsibility | As at Dec 2016 |
|--|---------------------------|----------------|
| Design, develop and present public and education programs for the Newcastle Art Gallery annually for general and specialised audiences represented in the Newcastle LGA that link to both the exhibition program and collection that are educational, enjoyable and relevant | Cultural Facilities | ✓ |
| Implement the Cultural Plan 2015-2018 | Cultural Facilities | ✓ |
| Develop a Play Space Strategy | Facilities and Recreation | ✓ |
| Deliver a Community Safety Program | Strategic Planning | ✓ |
| Support local community initiatives through place making grants and community assistance grants | Strategic Planning | ✓ |
| Provide safe public places by delivering the business lighting project | Strategic Planning | ✓ |
| Implement recommendations outlined within the Parkland and Recreational Strategy across the city | Facilities and Recreation | ✓ |
| Implement infrastructure programs for capital/maintenance for park assets | Facilities and Recreation | ✓ |
| Promote appropriate environmental and recreational community use of Blackbutt Reserve facilities | Facilities and Recreation | ✓ |
| Strategic review of aquatics facilities | Facilities and Recreation | ⇒ |
| Planning of a district sport and recreation complex to serve the long term needs of the growing western corridor | Facilities and Recreation | ✓ |
| Strengthening partnerships and opportunities for Newcastle sporting associations to participate in the planning, decision making and prioritisation of sport and recreation projects | Facilities and Recreation | ✓ |
| Review and update Council's Community Safety Policy and plans | Strategic Planning | ✓ |
| Complete the Newcastle After Dark Strategy | Strategic Planning | ✓ |
| Implement the recommendation from the Coastal Plan of Management | Infrastructure Planning | ✓ |
| Facilitate a place making approach to all projects | Strategic Planning | ✓ |
| Provide access to technology and the internet and support regular training sessions at various sites using various methods | Libraries | ✓ |
| Facilitate and support broad participation in community arts based programs | Libraries | ✓ |
| Provide Local Studies that focus on the local history of Newcastle and the Hunter | Libraries | ✓ |
| Implement various programs and outreach services for libraries for learners of all ages, interests and readers. Activities include programs for Children, author talks, book chats, craft and technology sessions | Libraries | ✓ |
| Implement the Economic Development Strategy 2016/17 | Strategic Planning | ✓ |
| Implement revitalisation projects across the city centre | Strategic Planning | ✓ |
| Construction for a Richley Reserve recreation adventure playground at Blackbutt | Projects and Contracts | ✓ |
| Develop a landscape master plan for National Park and Foreshore Park | Facilities and Recreation | ⇒ |
| Introduce a library app to integrate the catalogue | Libraries | ✓ |
| Implement a Multicultural Plan 2016/17 | Strategic Planning | ✓ |

★ Completed 0, ✓ On track 24, ⇒ Behind schedule 2, ⊘ Revised 0.

CARING AND INCLUSIVE COMMUNITY

In 2030 we will be a thriving community where diversity is embraced, everyone is valued and has the opportunity to contribute and belong.

Building on Street Safe success

In November, Council announced it would triple its financial support for a volunteer-run street safe program after the incidence of alcohol-related offences fell dramatically in the Newcastle CBD during a nine-month trial. The Saturday Night Program run by the Salvation Army's Oasis Youth Network together with Council and NSW Police helps vulnerable, intoxicated people get home, preserving peace on the streets and easing the burden on emergency services. Crime data supplied by NSW Police revealed a 67.5 per cent reduction in alcohol-related street offences and a 28.7 per cent decrease in alcohol-related crime during the pilot program. Council committed to provide \$30,000 in support to ensure the program continues for another 12 months.

Rainbow Walk for Islington Park

The Islington Rainbow Walk, a 25-metre-long, rainbow-themed walk was developed and opened on a stretch of pathway in Islington Park near Throsby Creek. A striking visual celebration of Newcastle as an inclusive and caring community, acknowledges the area's historical association with the lesbian, gay, bisexual, trans-gender, intersex and queer community.

The latest piece of public art took a week to complete and was installed as part of recent pathway upgrades in the park. It brings vibrant colour to the city and is a symbol of Newcastle's commitment to inclusion and equality, which can be shared and enjoyed by all members of the community. Council approved Islington Park as the site for a rainbow crossing in June 2016.

Refugees welcomed with bikes and cycle safety tips

Council teamed up with Catholic Care and a support agency to teach recently arrived refugees how to cycle safely in Australia. Seven refugee dads laughed their way through Cycle Skills Workshops for beginners at New Lambton after Catholic Care committed to getting the men and their families mobile on two wheels. With help from Dan "The Bike Man" Endicott at the University of Newcastle's Bike Love Corral, around 35 refugees received bicycles and training to ensure they understand Australian road rules.

It was a great combination of cycleways and cycling education, which are among Council's top priorities, and the city's status as a refugee welcome zone. Council also runs ongoing free cycle skills and bike maintenance workshops for the general public.

Volunteers up for spring cleaning

Merewether Ocean Baths Pavilion, sporting ovals, bushland and parks across the Newcastle LGA received an overhaul by a legion of hardworking volunteers. Champion community organisation CityServe, Newcastle and Lake Macquarie City Councils and the Port of Newcastle teamed up to carry out maintenance and repairs to public assets in September and October. CityServe brings government, business and community groups together to spruce up public facilities, such as ocean baths and park play equipment, revegetate denuded areas as well as help the needy blitz projects around their homes. Public facilities from the coast to the western corridor were targeted, with teams cleaning, repairing and painting picnic sets and seats, fences and pavilions.

Good parenting for fur babies

Council continued its campaign to educate pet owners about the importance of registration, microchipping and responsible pet ownership, including cleaning up after their dogs when out in the community. Council rangers provided free microchipping of dogs at a fun-filled event in Lambton Park in December, reminding pet owners that all dogs in NSW are required to have a collar and tag and be microchipped and registered. Ongoing publicity and education activities were also carried out to remind dog owners to clean up after their pets, be respectful of others in shared public spaces and to take advantage of the many leash-free areas within the Newcastle LGA.

50 years of water safety celebrated

In July, Council celebrated the 50th anniversary of its Water Safety Education Program. It all began in the winter of 1966 when two beach inspectors began visiting schools in the Newcastle LGA to teach students how to stay safe at the beach. Today the lessons include pool and open-water safety and are delivered annually to more than 14,000 primary-aged kids at more than 50 schools across the Newcastle LGA. The presentations include videos covering beach, pool and open-water safety, along with posters and banners containing key water safety messages. The water safety education program is free to schools and community groups.

PERFORMANCE

Sixteen actions were set in Council's 2016/17 Operational Plan to support the community objectives under the Community Strategic Plan, with delivery results as follows.

| Actions/Project | Responsibility | As at Dec 2016 |
|---|---------------------------|----------------|
| Implement actions from the cultural development program | Strategic Planning | ✓ |
| Facilitate Guraki and Youth Advisory Committees | Strategic Planning | ✓ |
| Deliver on the community development projects including youth and seniors week | Strategic Planning | ✓ |
| Manage early childhood centre assets | Strategic Planning | ✓ |
| Promote awareness of the requirements of the Companion Animals Act with respect to the ownership of companion animals | Regulatory Services | ✓ |
| Participate in Hunter Region Health Education Committee | Regulatory Services | ✓ |
| Actively encourage use of open space through junior ranger programs at Blackbutt, community planting days and volunteer groups | Facilities and Recreation | ✓ |
| Collect and preserve materials relating to the history of Newcastle | Libraries | ✓ |
| Acquire new works by artists for exhibitions and the Newcastle Art Gallery collection | Cultural Facilities | ✓ |
| Position and promote City Hall as an accessible and multi-use venue with diverse hiring potential for local, regional and national clients | Cultural Facilities | ✓ |
| Provide a library service with appropriate materials to assist residents with lifelong learning needs | Libraries | ✓ |
| Promote 50 years of teaching water safety education to schools | Facilities and Recreation | ★ |
| Manage the review of the alcohol free zones across the city and LGA, identifying new sites, installing new signage | Strategic Planning | ✓ |
| Deliver an integrated crime prevention platform utilising smart city technologies across the city centre (including Honeysuckle, Darby Street, Hamilton and the Junction) | Strategic Planning | ✓ |
| Park safe, stay safe - Primary School Education Program | Regulatory Services | ★ |
| Implement the Newcastle community sector development project (community builders) consistent with grant funding (externally funded). Including sector planning, skills training program and sector capacity | Strategic Planning | ✓ |

★ Completed 2, ✓ On track 14, ⇌ Behind schedule 0, ⓪ Revised 0.

LIVEABLE AND DISTINCTIVE BUILT ENVIRONMENT

In 2030 we will live in an attractive city that is built around people and reflects our sense of identity.

City Hall restoration

Following on from the restoration of the clock tower, Council is now restoring the southern façade of City Hall, along with the remaining eastern façade. Work commenced in the first half of 2016 and will be completed in 2017. The conservation includes sandstone restoration and replacement, windows, lead flashing, waterproof membranes, timber doors and lighting. The southern porte cochere and balcony sandstone, King Street concrete driveway, main access steps and ramp structures will also be restored.

Bibby Street renewal

Council completed a full road and footpath reconstruction in Bibby Street, Hamilton. The street now boasts a resurfaced road along with new trees, turf, kerb and guttering, drainage and footpaths.

Resident feedback:

'As a resident of Bibby Street I would like to thank NCC for our new street.

A big thank you to all the guys who did the reconstruction as they were always friendly, helpful and answered any questions we had. They went out of their way to ensure our access in and out of the street went as smooth as possible and always had a smile and wave for everyone.

The information brochures were impressive and even though the overall time frame extended I think it was well worth it for such great job done.

We will miss seeing the guys each day and hope they get recognition for their efforts.'

War Memorial Cultural Centre makeover

Council overhauled the façade of our Newcastle Region Library to make the heritage-listed building more energy-efficient. The Newcastle War Memorial Cultural Centre's 176 windows were replaced with double-glazed windows to minimise the transfer of heat through the window frame.

As part of this project, the Local History Library welcomed a new user-friendly layout, carpet, paint and technology. And the Lovett Gallery had its windows reinstated and was reinvigorated with new paint, blinds and ecofriendly lighting.

Merewether Ocean Baths Pavilion

We refurbished the pavilion at Merewether Ocean Baths as part of this year's CityServe project. A new ramp was built to improve access to the Depression-era bathers pavilion as well as new roofing, gutters and downpipes. Repairs will be made to masonry, brickwork, windows and railings. Plumbing, carpentry and electrical work will also be carried out before the finishing touches are added later in 2017.

Lone pine plaque

A plaque was unveiled at the foot of the Lone Pine planted in Civic Park's Memorial Grove earlier this year to coincide with the beginning of Legacy Week 2017. The plaque marking the site where a tree seeded from Gallipoli's famous Lone Pine was planted to replace one that stood in the park for half a century until last year's super storm.

Newcastle Lord Mayor Nuatali Nelmes joined representatives of the Memorial Grove Group, the RSL and Newcastle Legacy to add the finishing touch to the tribute honouring lost Novocastrians and also acknowledge the replacement of four serviceman plaques.

PERFORMANCE

Nine actions were set in Council's 2016/17 Operational Plan to support the Community objectives under the Community Strategic Plan, with delivery results as follows.

| Actions/Project | Responsibility | As at Dec 2016 |
|--|------------------------|----------------|
| Deliver Hunter Street Mall short term improvements | Civil Works | ✓ |
| Implement the Newcastle City Council's Heritage 2013-2017 and Local Planning Strategy 2015 | Strategic Planning | ✓ |
| Delivery of business sector energy and resource management projects in accordance with the Newcastle 2020 Carbon and Water Management action Plan | Projects and Contracts | ✓ |
| Review controls in both the Local Environment Plan and Development Control Plan as required | Strategic Planning | ✓ |
| Review section 94 contribution plans as required | Strategic Planning | ✓ |
| Implement the Newcastle after Dark: Night time Economy Strategy to improve the safety and amenity of the city centre and other neighbourhoods at night | Strategic Planning | ✓ |
| Review western corridor traffic schedules and update the section 94 contributions plan | Strategic Planning | ✓ |
| Delivery Council's energy saving project 2016/17 | Projects and Contracts | ✓ |
| City Hall façade restoration | Projects and Contracts | ✓ |
| ★ Completed 0, ✓ On track 9, ⇌ Behind schedule 0, ⊘ Revised 0. | | |

SMART AND INNOVATIVE CITY

In 2030 we will be a leader in smart innovations with a healthy, diverse and resilient economy.

Smart City initiative

Council's ambitious Newcastle Smart City Initiative continued to drive a city-wide revitalisation and regional transformation through the Newcastle Smart City Strategy and Innovation Ecosystem. Extensive consultation was undertaken to develop the Newcastle Smart City Strategy framework which will guide Council and its stakeholders and partners towards a smart and innovation city. The strategy defines our long term objectives around six smart city mandala themes:

- smart governance
- smart economy
- smart people
- smart environment
- smart living
- smart mobility.

Ground-breaking research was undertaken to map the Hunter Region's Innovation Ecosystem to understand the existing networks and areas of specialisation instrumental to developing a smart city. Working with businesses and industry across the Newcastle LGA, the primary focus was to identify innovation growth areas that may exist within, or cut across, traditional sectors.

Our partnership with University of Newcastle, Newcastle NOW and Hunter DiGiT secured \$9.8m funding from the State Government's Hunter Infrastructure Investment Fund for the Hunter Innovation Project. With Council and the University contributing \$8m, this \$17.8m collaboration is providing services and infrastructure instrumental to a smart community.

Bots in the Books

Newcastle Region Library and Hunter TAFE have teamed up to introduce young people to the world of electronics, coding, robotics and advanced manufacturing in a free short course called Bots in the Books. The program, funded through a Port Waratah community grant, provides young people interested in technology-based careers with basic skills in science, technology, engineering and maths. It provides participants with a chance to experience what it's like to be involved in a technical industry. In the Hunter these include unmanned aerial vehicles, water-borne drones, 3D printing, circuit board prototyping, electric vehicles, autonomous machines, robotics and some amazing examples of process control and automated systems.

PERFORMANCE

Seven actions were set in Council's 2016/17 Operational Plan to support the community objectives under the Community Strategic Plan, with delivery results as follows.

| Actions/Project | Responsibility | As at Dec 2016 |
|---|---------------------|----------------|
| Identify opportunities to partner with other groups to deliver activation and development projects eg hit the bricks | Strategic Planning | ✓ |
| <i>Alltogether Perfect</i> project (Newcastle, Port Stephens, Hunter Valley), conference bidding, destination promotion, conference and exhibition centre project | Strategic Planning | ⊘ |
| Deliver annual community events - ANZAC Day, Christmas in the City, Australia Day, New Years Eve | Strategic Planning | ✓ |
| Implement the economic development and events sponsorship programs | Strategic Planning | ✓ |
| Deliver the Newcastle Smart City Initiatives Program 2016/17 to continue to develop and establish Newcastle as a smart and innovative city | Strategic Planning | ✓ |
| Implement the Events Management Strategy | Strategic Planning | ✓ |
| Implement the Cultural Plan 2015-2018 | Cultural Facilities | ✓ |
| ★ Completed 0, ✓ On track 6, ⇨ Behind schedule 0, ⊘ Revised 1. | | |

OPEN AND COLLABORATIVE LEADERSHIP

In 2030 we will have a strong local democracy with an actively engaged community and effective partnerships.

Community Survey

In July/August 2016 we completed the biennial Community Survey. The survey was undertaken to better understand key issues, community needs and priorities and to determine levels of importance and satisfaction with the services and facilities provided by Council.

Supercars

The Council is working collaboratively with Destination NSW and Supercars Australia to engage with the community around the Newcastle 500 event to be held in November 2017. We have held information sessions for Newcastle east residents and established a Supercars microsite on Council's website. The Supercars microsite provides up to date information regarding the event. We will be undertaking an extensive program of engagement work throughout 2017. This engagement program aims to assist with the event delivering maximum economic and social benefit to the city and region while minimising disruption for residents.

Social media followers

Over the period of July to December 2016 our social communities expanded by on average 20% with Twitter reaching 5,937 followers, Facebook reaching 7,905 fans and Instagram reaching 153 followers.

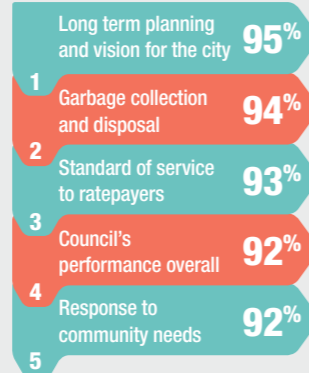
Launch of Instagram

Council launched its Newcastle City Council Instagram (@CityNewcastle) account in October 2016, this account is expanding reach to our younger demographic whilst showcasing the city with high impact imagery.

Wallsend Fair

Staff from Council's Communication and Engagement Unit and Infrastructure Planning team manned information stalls at the Wallsend Fair in August 2016. The new Wallsend interactive flood management model was a popular feature, along with information about upcoming engagement activities in the area.

Five most important facilities and services



Five facilities and services of lesser importance



PERFORMANCE

Eleven actions were set in Council's 2016/17 Operational Plan to support the community objectives under the Community Strategic Plan, with delivery results as follows.

| Actions/Project | Responsibility | As at Dec 2016 |
|--|-------------------------------|----------------|
| Ensure maximum operational benefit is gained across the organisation from the enterprise software solution | Information Technology | ✓ |
| Monitor implementation of the Community Strategic Plan 2030 | Strategic Planning | ✓ |
| Ensure the management of Council's budget allocations and funding alternatives are compliant with Council policy and relevant legislation to ensure the long term financial sustainability of the organisation | Finance | ✓ |
| Implement the initiatives from the Workforce Management Plan including, the Aboriginal Employment Strategy and the Equal Employment Opportunity Management Plan | Human Resources | ✓ |
| Establish a leadership development framework that incorporates cultural change (people and safety) and performance management to deliver a consistent leadership approach across Council | Human Resources | ⇒ |
| Identify redundant assets for disposal and for the proceeds to be placed in the land and property reserves to assist with reducing the infrastructure backlog | Commercial Property | ✓ |
| Undertake a media engagement strategy to maximize positive exposure opportunities and effectively manage any potential issues | Communications and Engagement | ✓ |
| Develop and implement a recruitment and retention strategy for Newcastle Voice | Communications and Engagement | ✓ |
| Improve alignment of grant applications to Council's financial strategic goals and improve success rate of desired grant application | Finance | ✓ |
| Introduce measures to increase cost effectiveness, quality and reach of video materials | Communications and Engagement | ✓ |
| Implement an online Development Application Tracking System | Development and Building | ⇒ |

★ Completed 0, ✓ On track 9, ⇒ Behind schedule 2, ⊘ Revised 0.

MEASURING OUR SUCCESS

Corporate performance measures

The below table identifies the key performance areas which allow the Council and the community to monitor the success of the Delivery Program and Operational Plan. Newcastle City Council will report six monthly and annually against its corporate objectives using the following key performance indicators:

| Objective 1 |
|---|
| Deliver on the key civic projects determined as the priorities for the community |
| KPI |
| Key civic projects are delivered in accordance with the budget and timeframes identified in the 2013-2017 Delivery Program. |
| Measure |
| Six monthly and annual performance on outcomes of project implementation |

Revitalising Hunter Street

Hunter Street Revitalisation has focused on three key areas in the last 6 months. The first is working with State Government agencies on Newcastle Light Rail and Urban Renewal projects in the city centre.

The second focus area was the continuation of the planning process for the city centre. This includes the commencement of a conservation management plan for Civic Park and engagement of consultants to complete the West End Public Domain Plan and Signage and Wayfinding Strategy. Planning also commenced on the smart city infrastructure rollout after Council was successful in gaining over \$9m in grant funds from the NSW State Government.

The third focus area of revitalisation was delivering temporary improvements and city activation projects across the city centre to help revitalise Hunter Street and surrounds.

With the removal of the overpass bridge at Market Street, Council completed a temporary upgrade of the streetscape to test future ideas for this space. Outdoor dining, open green space and an open vista have contributed to a more people friendly space. Civic Park was also a focus with Christmas in the Park successfully celebrated with nearly 3,000 people attending.

Upgrading Blackbutt Reserve

Improvements to existing facilities at Blackbutt Reserve as well as new infrastructure have provided more recreational opportunities. The Carnley Avenue section has experienced several significant changes with the construction of a wildlife arena, a new amenities block, more shade shelters, better pathways, larger grassed areas, additional BBQ facilities and an upgraded viewing deck at Black Duck Pond.

Improvements are now focused on Richley Reserve with new shade shelters, accessible pathways and an upgraded adventure playground. Consultants were engaged to assist Council in the design and delivery of the projects. Stage 1 for Richley Reserve Concept Design was completed for the civil works, pathways and Farrells Way (accessible entrance path). Under design is the Richley Reserve adventure playground which will provide a much larger play area to better cater for children of all ages.

Consultants have been engaged to finalise documentation for a new amenities building and additional picnic facilities to make both sides of the Reserve even more appealing to visitors. A Wayfinding and signage strategy will also be undertaken.

Providing new cycleways

A number of cycleways and shared paths have been designed and/or constructed in the first half of 2016/17 including:

Scholey Street Bridge Islington

The 240m shared pathway construction was completed in conjunction with Transport for NSW and John Holland Rail Country Regional Network. This physically separated Bridge crossing enables cyclists to safely cross the bridge on the University to Newcastle cycle route.

Inner City Bike Lanes Section 1

A further 450 metres of physically separated shared pathway along Donald Street between Samdon Street and Beaumont Street was completed. The project will provide safe, convenient cycle connections and improve access to the city centre by increasing sustainable transport mode share.

Richmond Vale Rail Trail

In conjunction with Cessnock and Lake Macquarie Councils, Newcastle City Council is continuing the concept design phase and approvals process for a 32km cycleway from Shortland to Tarro and Hexham to Kurri Kurri. The concept design consultation phase with the community is now complete. The pathway will provide connectivity for the townships of Kurri Kurri, Stockrington, Buchanan, Pelaw Main and Richmond Vale to the Newcastle cycle network and vice versa. It will enable cyclists and pedestrians to travel safely along this route avoiding the need to ride on any roads.

Cycling Promotion and Education

Cycle skills classes and discovery rides have been provided to the community as well as TV and print advertising to promote cycling within the Newcastle LGA.

Coastal Revitalisation achievements

Bathers Way shared pathway is now more than 50% complete. When finalised, Bathers Way will stretch six kilometres along our coast line from Merewether to Nobbys Beach.

Works have included:

- North Newcastle Beach seawall repairs - completed
- South Newcastle Seawall - construction works continuing
- Finalisation of documentation Bathers Way The Hill - tender advertised December
- Finalisation of documentation Bathers Way Shortland Esplanade South - tender advertised December
- Tender Design for Nobbys Surf Club - completed
- Cooks Hill Surf Club and external public domain - construction underway.

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

Community engagement is defined in many different ways depending on context. For Council, community engagement is the primary way we build community awareness and understanding, and gain better insights into community opinion. The information shared with us by residents is used to assist with ensuring services and facilities best meet their needs.

Over the period July - December 2016, Council received almost 3,000 responses to surveys around a variety of topics including safety in the city, Council's customer service and satisfaction with Newcastle Museum. The Engagement Team also conducted nine community workshops and held two information sessions.

There are constantly evolving tools that are being developed in the engagement space to better target hard to reach groups as well as make the engagement experience as attractive as possible. The Communications and Engagement Unit has been reviewing many of these tools for potential use across Council's planning and service provision initiatives.

Recently, the engagement team has conducted activities with the community to inform Council on a wide variety of issues. These projects have included:

- Community Survey: Biennial assessment of community satisfaction and importance ratings of Council's performance, services and facilities
- Civic Park Plan: A series of workshops with various community and other stakeholder groups in inform future planning for Civic Park
- Safe City Survey: Online survey regarding community perceptions of safety in Newcastle
- Customer Service Survey: Online survey assessing satisfaction with Council's customer service

- Water Safety Survey: Survey of teachers regarding satisfaction with the water safety programs implemented in participating schools
- Wallsend, Beresford and Stockton Public Domain Plan Workshops: A series of workshops with Wallsend, Beresford and Stockton residents to gain input in the public domain planning process for these areas
- Beresfield Children's Community Education Centre Survey: Survey to determine carer's satisfaction with BCCEC
- Museum Satisfaction Survey: Intercept survey of Museum patrons to assess levels of satisfaction with a variety of aspects of Museum operations
- Supercars information sessions and microsite development: drop in information sessions with East End residents and development of Supercars microsite hosted on Council's website to keep residents up to date with VASC event related information
- Library Strategic Planning Survey: Intercept surveys with the wider community regarding library operations.

In addition to engaging with the wider community, Council's Communications and Engagement Unit conducts internal engagement activities to assist business units across Council with initiatives.

Council's engagement staff are continuing to focus our efforts on determining local priorities and gaining community feedback on issues facing Newcastle residents.

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

Financial sustainability of Council operations requires that there is sufficient operational revenue to cover operational expenses in the long run. Council's budgeted annual operating surplus of \$4.6m for the year ended 30 June 2016 remains unchanged at 31 December 2016.

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

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

Unrestricted current ratio 3.60:1 (Benchmark is greater than 1.5:1)

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

The unrestricted current ratio has been calculated for the purposes of assessing the capability of Council to meet its short term obligations (current liabilities) using current assets. The ratio has increased due to an increase in cash levels generated from operating activities.

Rates and annual charges outstanding ratio 4.33% (Benchmark is <5%)

This ratio assesses the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts. The rates and annual charges outstanding ratio of 4.33% has fallen from 5.05% in 2012/13. This represents a decrease of 0.72%. This is an improvement on the result due to a more proactive approach by Council.

Cash expense cover ratio 7.98 (Benchmark is greater than three months)

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

The current ratio is more than double the benchmark ratio and has improved from 2012.

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

Customer Service Survey

The customer experience survey commenced in the 2015/16 financial year. The survey was deployed in July 2015 just prior to the opening of the customer contact centre. This has provided base line data on the previous customer experience. This data has been used to help determine priorities in the customer contact centre and level of training / information required about particular issues.

The 2016 customer satisfaction shows an overall customer satisfaction result of 63%, this is an increase of 2% on our baseline survey in 2015. Phone service satisfaction increased by 7% to 72% and front counter satisfaction remained unchanged at 73%.

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

As at December 2016 asset renewal expenditure is at 48%, a final variance will be reported in the Annual Report 2017/2018.

Maintenance renewal budget variance as at June 2016 was 18% against revised budget.

Renewal represented over 50% of the capital work program, renewal works increased significantly in the second half of the prior financial year with several large projects now in progress and providing Council with a strong platform for further increases in renewal works during the remainder of 2016/17.

Infrastructure Renewals Ratio 68.86%

This ratio compares the proportion spent on infrastructure asset renewals and the asset's deterioration measured by its accounting depreciation. Asset renewal represents the replacement or refurbishment of existing assets to an equivalent

capacity or performance as opposed to the acquisition of new assets or the refurbishment of old assets that increase capacity or performance. NSW Treasury Corporation benchmark is greater than 100% and Council does not yet meet this benchmark but is working towards it.

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

The 10 year target for asset sales (2013/14 to 2022/23) has been revised down from \$47m (December 2014) to \$37.8m. This is due to the combined impact of properties being removed from the sale list and the reappraisal of the potential sale proceeds for the remaining properties. These funds will be restricted for the purpose of infrastructure renewal.

The following properties were sold during 1 July 2016 to 30 December 2016

| Property description | Net Proceeds on Sale (GST excl) |
|---------------------------|---------------------------------|
| 3 Kiah Ave, Jesmond | 1,100,000 |
| 71 Bridges Rd New Lambton | 1,100,000 |
| 129 Hobart Rd New Lambton | 1,700,000 |
| Total | \$3,900,000 |

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

Action on this objective has been delayed due to the Newcastle City Council and Port Stephens Council merger proposal. As the merger proposal will no longer proceed, appropriate planning has now recommenced to ensure ongoing continuity of service to the community.



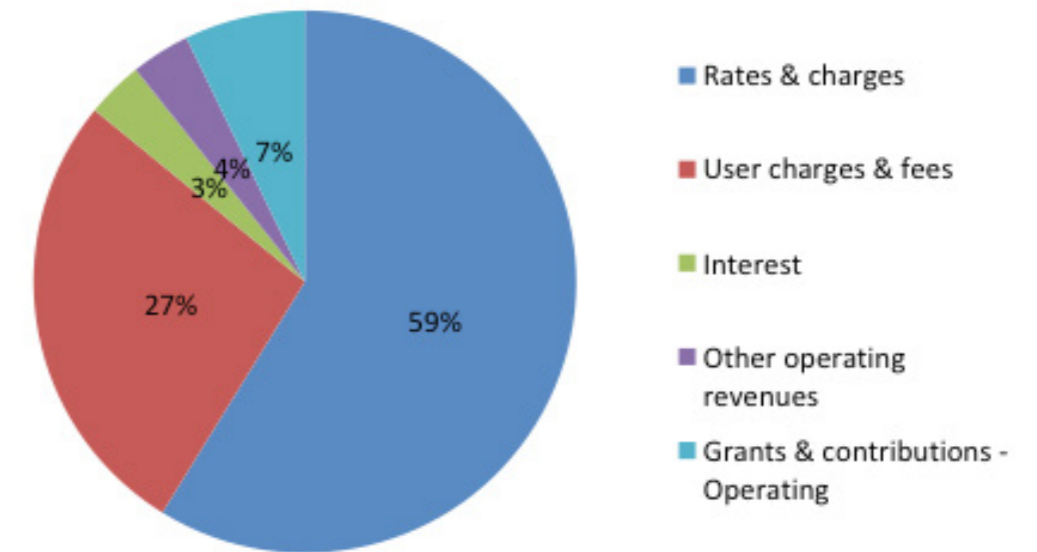
FINANCIAL PERFORMANCE

December 2016 Operating Summary

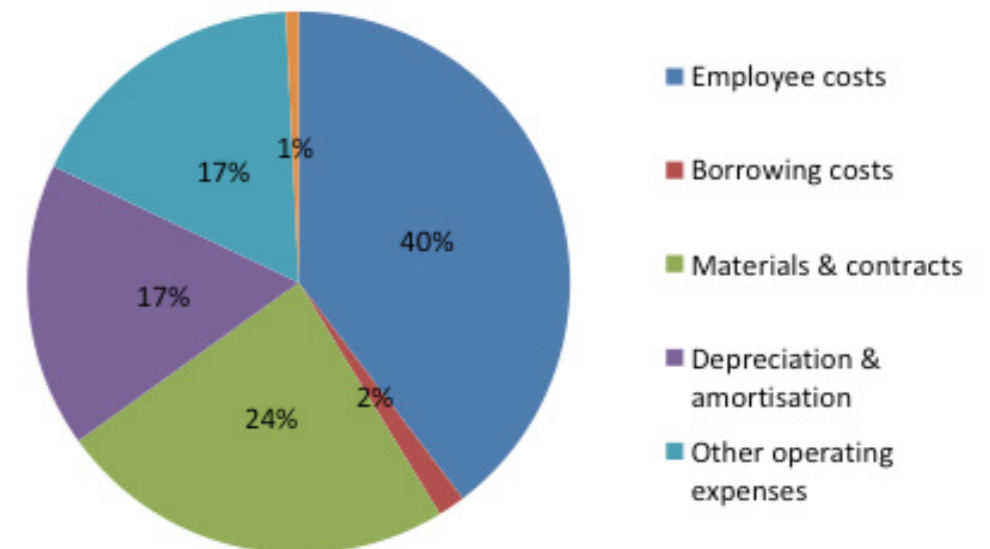
| | 2016/17 Adopted Budget \$'000 | Adopted September 2016 \$'000 | Recommended December 2016 \$'000 | Projected year end result \$'000 | Actual YTD \$'000 |
|---|--|--|---|---|----------------------|
| Total Operating Revenue | 246,494 | (221) | 1,991 | 248,264 | 125,612 |
| Total Operating Expenses | 241,076 | 550 | 1,990 | 243,616 | 121,157 |
| Total Operating Revenue Less Operating Expenditure | 5,418 | (771) | 1 | 4,648 | 4,455 |
| Total Capital Raising revenue | 14,321 | 367 | 9,165 | 23,853 | 13,980 |
| Add Back Non Cash Items | 41,094 | 1,468 | (3,656) | 38,906 | 21,273 |
| Funding available for capital expenditure | 60,833 | 1,064 | 5,510 | 67,407 | 39,708 |
| Total capital spend | 64,352 | 470 | 44 | 64,866 | 27,335 |
| Net principle Repayments | 2,600 | | | 2,600 | 1,300 |
| Net Funds Generated / (Used) | (6,119) | 594 | 5,466 | (59) | 11,073 |

The December review shows no net change in the overall operating results. Council's budgeted annual operating surplus of \$4.6m for the year ended 30 June 2017 remains unchanged.

SOURCE OF FUNDS 2016/17



USE OF FUNDS 2016/17



CAPITAL WORKS PROGRAM

The Budget below is inclusive of operational and capital works.

Works program

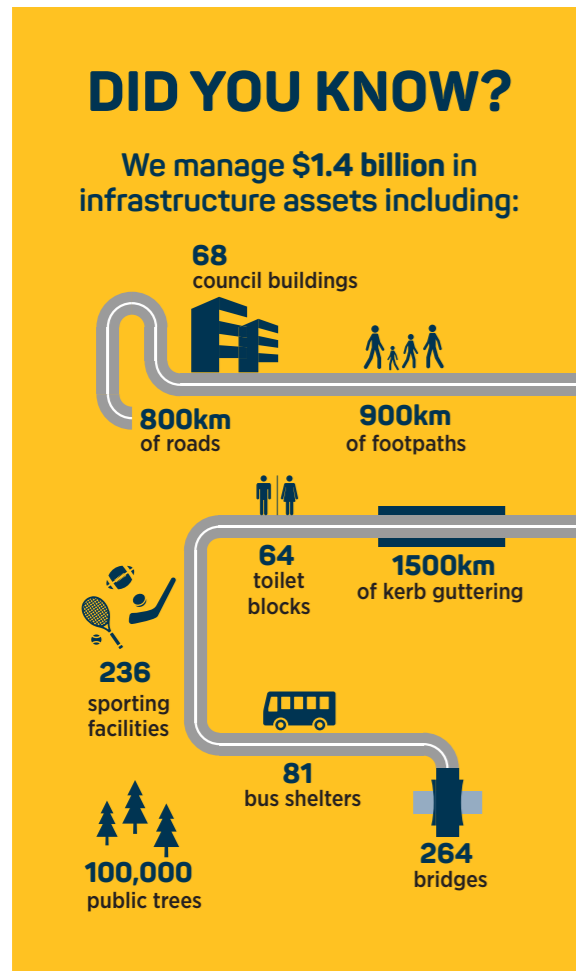
| Works program | Adopted 2016/17 Works Program Budget \$,000 | Adopted September QBRS \$,000 | Recom. budget adjustment Dec 2016 \$,000 | Projected year end result 2016/17 \$,000 | Actual December YTD \$,000 |
|---|---|-------------------------------|--|--|----------------------------|
| Represented by | | | | | |
| Asset Renewal | 40,205 | 6,537 | | 46,742 | 19,354 |
| Non - Infrastructure Projects | 13,994 | (60) | (233) | 13,701 | 4,573 |
| New Assets | 17,916 | (2,728) | 203 | 15,391 | 8,565 |
| Special Rate Variation Projects | 9,893 | (3,761) | (26) | 6,106 | 2,686 |
| Total Works Program | 82,008 | (12) | (56) | 81,940 | 35,178 |
| Asset Renewal | | | | | |
| Building and Structures | 13,600 | (1,597) | 909 | 12,912 | 7,179 |
| City Roads | 13,699 | 2,680 | (2,476) | 13,903 | 5,424 |
| Environment | 12,906 | 5,454 | 1,567 | 19,927 | 6,751 |
| Total Asset Renewal | 40,205 | 6,537 | | 46,742 | 19,354 |
| Non - Infrastructure Projects | | | | | |
| Fleet Replacement | 8,798 | | | 8,798 | 2,322 |
| IT | 2,320 | | | 2,320 | 1,412 |
| Strategic | 1,749 | | (193) | 1,556 | 347 |
| Minor Capital | 1,127 | (60) | (40) | 1,027 | 492 |
| Total Non - Infrastructure | 13,994 | (60) | (233) | 13,701 | 4,573 |
| New / Upgrade Projects | | | | | |
| Built Infrastructure | 3,901 | 1,652 | 253 | 5,806 | 2,518 |
| Waste | 14,015 | (4,380) | (50) | 9,585 | 6,047 |
| Total New Assets | 17,916 | (2,728) | 203 | 15,391 | 8,565 |
| N2012 SRV - Priority Projects | | | | | |
| Hunter St Revitalisation | 993 | (231) | | 762 | 306 |
| Coastal Revitalisation | 4,025 | (1,273) | (1,000) | 1,752 | 451 |
| Cycleways | 4,375 | (2,046) | 474 | 2,803 | 1,891 |
| Blackbutt | 500 | (211) | 500 | 789 | 38 |
| Total 2012 SRV - Priority Projects | 9,893 | (3,761) | (26) | 6,106 | 2,686 |

Note: Infrastructure is regarded as Asset Renewal, New / Upgrade and 2012 SRV

Newcastle City Council's adopted capital budget of \$82m will remain unchanged with \$82m projected for the year end results.



ASSET RENEWAL



Buildings and Structures Program

The Buildings and Structures Program is on track with strong and consistent delivery of projects.

City Hall Façade renewal, the largest project in the portfolio at \$6.2m (being the repair of the east and south façades, ramps and the porte-cochère) is on track to be completed in December 2017. The other ancillary projects linked to the façade works including bar replacement, lighting renewal and painting of function rooms will be undertaken at the end of 2016/17 financial year. The City Hall kitchen has also been replaced in the last 6 months.

The Wallsend bridge replacement project, including Tyrrell, Nelson and Boscowan Bridges, is in final flooding analysis phase with the decisions on bridge and channel configurations yet to be finalised before commencing the bridge detailed designs.

Significant retaining wall renewals include Brown Street and Curzon Road (designs completed this year), with construction in the second half of the year.

Completed City Administration Centre projects include the installation of the two way vehicle ramps into the basement and the façade repairs after the demolition of the link bridge to the former Fred Ash Building.

Playgrounds replaced this year include Willow Close Elernmore Vale and Cowie Reserve Mayfield.

Museum shade sails which included structural repairs, glass replacement and shade sail installation has been completed.

Roads Program

The Roads Program is on target.

Major projects completed are footpath rehabilitation at Bibby Street Hamilton, Islington Park and King Street Newcastle and road rehabilitation at Llewellyn Street Merewether, Gothic Street Jesmond and Howe Street Lambton at Morehead Street.

Resurfacing rejuvenation undertaken in 74 Streets across suburbs of Beresfield, Maryville, North Lambton, Rankin Park, Sandgate, Shortland Tarro and Wallsend.

Asphalt resurfacing has been undertaken in Selwyn Street, Mayfield North; Woodford Street, Minmi and Park Avenue, Kotara. Laneway resurfacing has been undertaken at Hamilton (2) and Broadmeadow (1).

Environment Program

The Environment Program spend is on target with the commitments for the majority of large civil and natural rehabilitation projects scheduled for construction in the last two quarters (February - May 2017).

Major projects completed include watercourse rehabilitation at Elernmore Vale with Ironbark Creek Stage 4 works in conjunction with Hunter Water sewer upgrade works between Cardiff and Croudace Rd and Blue Wren Creek within Coldstream Reserve including culvert inlet/outlet renewal. Other grant funded works completed include Gross Street Reserve Tighes Hill open channel stabilisation and community engagement in site revegetation.

Coast and Estuary rehabilitation works completed include King Street Stockton - Little Beach stormwater outlet, rock seawall and beach access work, Punt Road Stockton - Ballast Ground Stage 5 riverwall construction and revegetation, Jersey Rd and Market Swamp Sandgate wetland weed and fringe profiling and a major rehabilitation of the Merewether Beach Seawall.

Substantial progress has been made at major sea wall rehabilitation sites at Newcastle South and Stockton.

A range of stormwater renewal works (in design phase) as well as completed works include: Claremont Reserve rock renewal of failed outlet structure; Gross Street Reserve Tighes Hill (open channel construction and head wall rehab); Morehead and Howe Streets Lambton repairs; Westwood Avenue Adamstown Heights redirection of stormwater overland flows through swale drain to new headwall outlets within Claremont Reserve; Howden Street Carrington drainage renewal works and tide gate controls; Llewellyn Street Merewether rehabilitation; and Lloyd Street Reserve drainage rehabilitation.

The Living streets Planting Program successfully completed 13 community engagement processes where residents chose street tree species in the following areas: Carbine Close, Maryland; Wilkinson Avenue, Birmingham Gardens; Yangan and Koolara Streets, Beresfield; Balook Drive, Beresfield; Young Road, New Lambton; Parkway Avenue, Hamilton South; Parkway Avenue, Cooks Hill; Wallarah Road, New Lambton; Farquhar Street, The Junction; Teralba Road, Adamstown; Denney Street, Broadmeadow; and Watkins Street, The Junction.

