



2016–2017 Operational Plan

*PLANNING FOR OUR PEOPLE
OUR PLACE OUR FUTURE*



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Message from the Mayor



It is with pleasure that I present the 2016-17 Operational Plan to our community.

Council has an important role as custodian of the community's assets and it is imperative that we carefully consider the long-term and cumulative impacts of decisions that we make today.

Over the past 12 months, we have been particularly focused on the prudent and responsible management of our funds, resulting in us being declared 'Fit for the Future', in line with the NSW Government's reform agenda. The Audit Committee has played an important role in our financial stability, providing specialist oversight and advice on our systems and processes.

We are very well positioned to accommodate the expected growth in population of up to 70,000 people by 2031. We need to plan for and move with the changes this growth will bring, and we as a Council are committed to making sure the Cessnock local government area cements its place as a dynamic and major economic force in the Hunter Region.

As demonstrated by the actions identified in this document, we continue to work towards the desired outcomes in the community strategic plan, Cessnock 2023.

I invite you to join me in delivering the 2016-17 Operational Plan to make our community's vision for our City a reality.

Councillor Bob Pynsent
Mayor of the City of Cessnock

General Manager's message

I am looking forward to 2016-17 and the challenges that it presents our organisation. This Operational Plan will ensure Council stays on track to deliver the services and infrastructure that are important to our community.

Cessnock City Council boasts excellent staff who are committed to achieving the best outcomes for the community. I am particularly proud that our organisation has achieved 'Fit for the Future' status and remains on track to achieve our financial targets through the innovative projects within our Financial Sustainability Initiative. This initiative comprises a number of projects to reduce costs, increase revenues and improve value-for-money.

There are exciting times ahead for our City, but we do face challenges especially in ensuring we are a financially sustainable organisation that is able to positively contribute to the realisation of our community's vision.

In 2016-17 Cessnock City Council will continue to work with our counterparts across the Hunter region to ensure that Cessnock has a voice on the important strategic issues that will impact on the future of our area.

We are fortunate that the people of Cessnock have strong community drive and spirit and with their support along with collaboration with other levels of government, we are determined to continue delivering for our community.

We will continue to build on the work we have already undertaken that will position us well for the challenges that lie ahead, and I am confident that as an organisation we can meet these challenges.

Stephen Glen
General Manager



Introduction

The operational plan is developed to identify the operational activities that, when implemented, will achieve the longer term plans set out in the delivery program and community strategic plan.

The delivery program is a statement of how Council aims to achieve the outcomes developed by the community in the community strategic plan, *Cessnock 2023*. The outcomes will be achieved by implementing relevant actions, ensuring adequate resources, monitoring progress, advocating on behalf of the community, building partnerships and ensuring accountability in everything Council does.

The delivery program is adopted for a four year period to coincide with the term of an elected council. At the end of the Council term its progress is reviewed and reported to the community in the end-of-term report.

The 2013-17 Delivery Program has five desired outcomes as identified in the community strategic plan, *Cessnock 2023*.

They are:

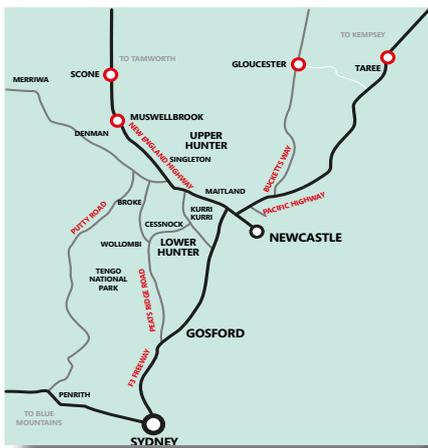
- a connected, safe and creative community
- a sustainable and prosperous economy
- a sustainable and healthy environment
- accessible infrastructure, services and facilities
- civic leadership and effective governance.

The City of Cessnock local government area

LOCATION

Cessnock City is located in the Hunter Valley, New South Wales, about 120 kilometres north of Sydney and 40 kilometres west of Newcastle.

The local government area is bounded by Maitland City in the north; the Cities of Newcastle and Lake Macquarie in the east, Wyong Shire and the Cities of Gosford and Hawkesbury in the south; and the Singleton Council area in the west.



AT A GLANCE

The population of the local government area was 54,979 at 30 June 2014, with a population density of 0.28 people per hectare.

In the local government area, 14% of households earn \$2,500 or more per week.

Only 8% of the dwellings are medium or high density, compared to 16% in regional NSW.

Almost 20% of our population is aged between 35 and 49 with 12.3% aged 25 to 34 and 13.4% aged 50 to 59. Just over 11% are aged 60 to 69 years.

HISTORY

Cessnock is named after Cessnock Castle in Ayrshire, Scotland.

Within the local government area are the traditional lands of the Wonnarua people, the Awabakal people and the Darkinjung people. European settlement dates from the 1820s when pastoralists arrived using land mainly for farming, market gardening and timber getting.

The Great North Road was constructed in the 1830s, linking the Hawkesbury and Hunter Valleys. Wollombi was the centre of the area till the late 1800s. The township of Branxton emerged from 1848, spurred by its accessibility to water, rich agricultural land and its location as a road junction.

The three largest ancestry groups in 2011 in the local government area are Australian, English and Scottish. Over 64% live and work in the local government area with 35% of working residents travelling out of the area for work.

Only 1% of the working population use public transport to get to work.

12.4% of those employed work in manufacturing, 11.5% in retail trade, 11% in health care and social assistance, 10.2% in mining, and 10% in accommodation and food services.

The township of Cessnock developed from 1850 as a service centre at the junction of the Great North Road. There was some growth in the 1850s and 1860s with wheat, tobacco and grapes being grown, especially around Cessnock, Nulkaba and Pokolbin.

Significant development in Cessnock occurred when coal was struck in 1892 and several coal mines were established.

By 1926 the Cessnock local government area had a population of 12,000 increasing to 18,000 by the 1940s. Up to the 1960s mining was the principal industrial base and source of employment in the Cessnock area.

The integrated planning and reporting framework

COMMUNITY STRATEGIC PLAN

The community strategic plan is the highest level plan that a council will prepare. Its purpose is to identify the community's main priorities and aspirations for the future and to identify strategies for achieving these goals.

In doing this, the planning process will consider the issues and pressures that may affect the community and the level of resources that will realistically be available to achieve its aims and aspirations.

While a council has a custodial role in initiating, preparing and

maintaining the community strategic plan on behalf of the local government area, it is not wholly responsible for its implementation. Other partners, such as State agencies and community groups may also be engaged in delivering the long-term outcomes.

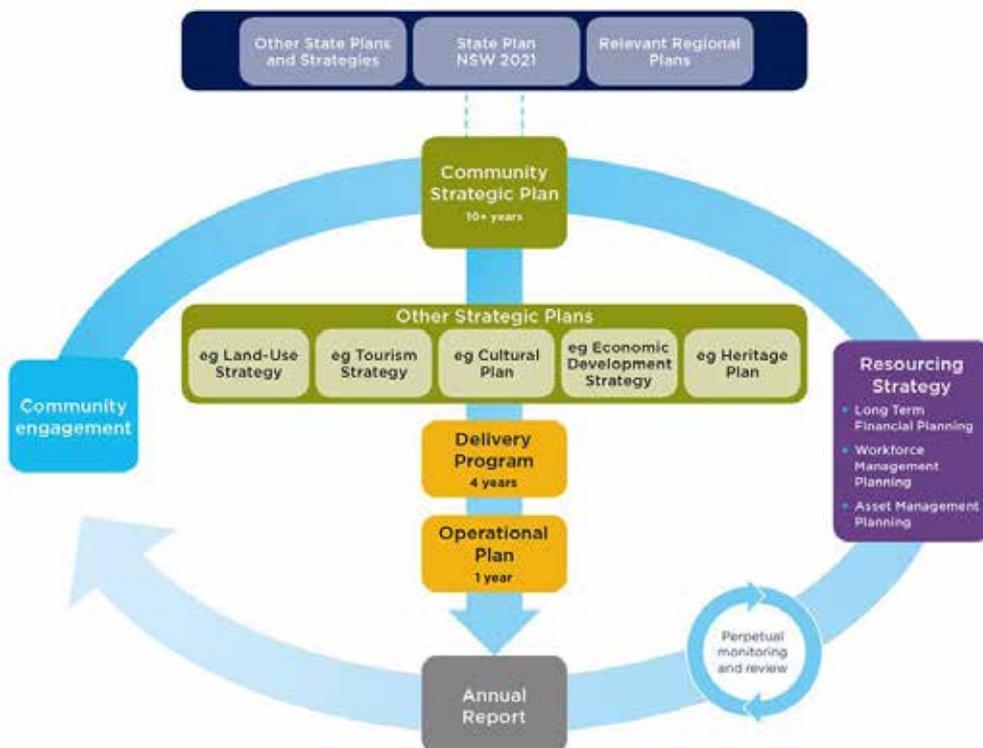
DELIVERY PROGRAM AND OPERATIONAL PLAN

In these documents the community's strategic directions are systematically translated into actions. These are the principal activities to be undertaken by the council to implement the strategic directions established by the community strategic plan within

the resources available under the resourcing strategy.

The delivery program is a statement of council's commitment to the community and is the single point of reference for all principal activities undertaken by the elected council during its term of office. All plans, projects, activities and funding allocations must be directly linked to this Program.

Supporting the delivery program is an annual operational plan. It spells out the details of the program: the individual projects and activities that will be undertaken each year to achieve the commitments made in the delivery program.



The integrated planning and reporting framework

RESOURCING STRATEGY

The community strategic plan provides a vehicle for expressing long-term community aspirations. However, these will not be achieved without sufficient resources (time, money, assets and people) to actually carry them out.

The resourcing strategy consists of three components:

- workforce planning
- asset management planning
- long term financial planning.

The resourcing strategy identifies who is responsible for addressing the issues identified in the community strategic plan. Some issues will clearly be the responsibility of the council, some will be the responsibility of other levels of government and some will rely on input from community groups or individuals. The resourcing strategy focuses in detail on matters that are the responsibility of the council.

ANNUAL REPORT

The annual report is one of the key points of accountability between a council and its community.

The annual report focuses on the council's implementation of the delivery program and operational plan (because these are the plans that are wholly the council's responsibility).

The report also includes some information that is prescribed by the *Local Government (General) Regulation 2005*. This information is required by the Regulation because the government believes that it will assist community members better understand how the council has been performing: both as a business entity and a community leader.

COMMUNITY CONSULTATION

Community consultation is an important part of the integrated planning and reporting framework. Extensive consultation was undertaken in 2010 to develop the original community strategic plan. Council then went back to the community in 2013 to confirm that the documented outcomes and objectives were still relevant.

In addition, Council has undertaken biennial community research with a representative sample of 400 residents to monitor perceptions of the progress against the desired outcomes in the community strategic plan and satisfaction with the services offered by Council.

More recently, Council has consulted with the community to determine what is meant by a "satisfactory standard" with regards to the condition of infrastructure assets. The community has determined that, at this stage of Council's asset management maturity, Council should aim for all assets to be in an "average" condition.

FIT FOR THE FUTURE

In September 2014 the NSW Government announced the *Fit for the Future* reform package, its response to the Independent Local Government's Review Panel's final report on NSW Local Government Reform. The *Fit for the Future* reform package includes proposals for councils across NSW to strengthen efficiency, performance and move towards a more sustainable position.

As part of the *Fit for the Future* reform package Council has benchmarked itself against seven criteria to assess its sustainability, efficiency, effectiveness, scale and capacity.

While Council has been assessed (by the IPART) as a "fit for the future" organisation, there is still work that needs to be done to achieve greater efficiencies across the organisation and provide the best value-for-money for our community.

The *Fit for the Future* reform package recommends the establishment of a system of regional Joint Organisations across the State to provide a platform for local councils to work together to reduce duplication of effort, maximise efficiencies, and collaborate with the State to achieve regional outcomes.

Hunter Councils (of which Cessnock City Council is a part) has been participating in one of five pilot Joint Organisations.



**A connected,
safe and creative
community**

COMMUNITY'S DESIRED OUTCOME:

A connected, safe and creative community

This desired outcome relates to community wellbeing, connectedness and safety. During the initial community engagement program in 2010 participants expressed the desire for a healthy, active, engaged and cohesive community that maintained its unique local identity and friendliness into the future.

Council will undertake the following principal activities to achieve the objectives established in the community strategic plan, Cessnock 2023.



Community and cultural activities

- Community planning
- Events
- Libraries
- Youth services
- Cessnock Performing Arts Centre



Community health and safety

- Animal management
- Building compliance and safety
- Parking enforcement
- Public health inspections
- Regulation enforcement programs
- Road Safety programs and facilities
- Emergency management



Community assets

- Community halls and centres
- Early childhood facilities
- Cycleways

OBJECTIVE 1.1:

Promoting social connections

STRATEGIC DIRECTIONS

- Our community is aware of and has access to community services.
- We are connected to others in our neighbourhood and across the local government area.
- Our community has opportunities to celebrate together.
- Our communities are linked by walking and bike tracks.

DELIVERY PROGRAM 2013-17

1.1.1	Promote the range of community services across the local government area.
1.1.2	Engage with the indigenous community.
1.1.3	Develop a program and commence implementation to increase social connections across the Local Government Area.
1.1.4	Commence implementation of the Cessnock City Bicycle Plan.

OPERATIONAL PLAN 2016-17

RESPONSIBILITY

1.1.1	Promote the range of community services across the local government area.	
1.1.2	Engage with the indigenous community.	
1.1.2.a	Organise and deliver a range of NAIDOC Week events.	Community & Cultural Engagement
1.1.2.b	Continue to implement the actions from the Reconciliation Action Plan.	Community & Cultural Engagement
1.1.3	Develop a program and commence implementation to increase social connections across the Local Government Area.	
1.1.3.a	Organise and deliver a range of Seniors' Week events.	Community & Cultural Engagement
1.1.3.b	Organise and deliver a range of Youth Week events.	Community & Cultural Engagement
1.1.3.c	Organise and deliver the Spring Awakening Festival	Cessnock Performing Arts Centre
1.1.3.d	Organise other civic events such as Australia Day, Carols in the Park and Citizenship Ceremonies.	Mayor's Office
1.1.3.e	Support the Cessnock Chamber of Commerce Stomp Festival.	Economic Development
1.1.3.f	Support the Kurri Kurri Nostalgia Festival.	Economic Development
1.1.3.g	Complete development of the Pedestrian and Access Mobility Plan.	Strategic Asset Planning
1.1.3.h	Finalise and adopt the Disability Inclusion Action Plan.	Community & Cultural Engagement
1.1.4	Commence implementation of the Cessnock City Bicycle Plan.	
1.1.4.a	Commence implementation of the priority projects from the Cessnock City Cycling Strategy.	Recreation Services

OBJECTIVE 1.2:

Strengthening community culture

STRATEGIC DIRECTIONS

- Our residents show pride in our local government area.
- Our community organisations have opportunities to work together to develop and deliver services.
- Our facilities are utilised by community groups.

DELIVERY PROGRAM 2013-17

1.2.1	Collaborate with the community to develop and deliver services.
1.2.2	Develop a strategic plan for social welfare and community facilities needs across the local government area.
1.2.3	Support groups to manage and improve community and sporting facilities.
1.2.4	Commence implementation of the priority projects from the CYCOS Business Plan.

OPERATIONAL PLAN 2016-17

RESPONSIBILITY

1.2.1	Collaborate with the community to develop and deliver services.	Community & Cultural Engagement Recreation Services Environment & Waste
1.2.2	Develop a strategic plan for social welfare and community facilities needs across the local government area.	
1.2.3	Support groups to manage and improve community and sporting facilities.	
1.2.3.a	Continue to support community, cultural and sporting facilities and projects with \$ for \$ grants.	
1.2.4	Commence implementation of the priority projects from the CYCOS Business Plan.	

ALIGNMENT WITH GOALS FROM THE STATE PLAN - NSW 2021

- Improve road safety.
- Prevent and reduce the level of crime.
- Build liveable centres.
- Increase opportunities for people to look after their own neighbourhoods and environments.
- Make it easier for people to be involved in their communities.
- Increase opportunities for seniors in NSW to fully participate in community life.
- Foster opportunity and partnership with Aboriginal people.

OBJECTIVE 1.3:

Promoting safe communities

STRATEGIC DIRECTIONS

- Our residents and visitors feel safe in the Cessnock local government area.
- Our CBD areas are safe at night.
- Our roads are safe for motorists and pedestrians.

DELIVERY PROGRAM 2013-17

1.3.1	Participate in collaborative partnerships to prevent crime.
1.3.2	Carry our regulatory and education programs to protect residential amenity and community health and safety.
1.3.3	Commence implementation of priority projects from the Road Safety Strategy.

OPERATIONAL PLAN 2016-17

RESPONSIBILITY

1.3.1	Participate in collaborative partnerships to prevent crime.	
1.3.2	Carry our regulatory and education programs to protect residential amenity and community health and safety.	
1.3.3	Commence implementation of priority projects from the Road Safety Strategy.	

OBJECTIVE 1.4:

Fostering an articulate and creative community

STRATEGIC DIRECTIONS

- We have thriving cultural precincts throughout the local government area that celebrate our heritage and culture.
- We have a diverse program of cultural and heritage activities.

DELIVERY PROGRAM 2013-17

1.4.1	Continue implementation of the priority projects from the Cessnock Performing Arts Centre business plan.
1.4.2	Commence implementation of the priority projects from the Library Strategic Plan.
1.4.3	Promote and participate in a range of cultural and heritage activities across the local government area.

OPERATIONAL PLAN 2016-17

RESPONSIBILITY

1.4.1	Continue implementation of the priority projects from the Cessnock Performing Arts Centre business plan.	
1.4.2	Commence implementation of the priority projects from the Library Strategic Plan.	
1.4.3	Promote and participate in a range of cultural and heritage activities across the local government area.	

MEASURES:

MEASURES	CONTEXT/BENCHMARK	BASE	2014-15 RESULT	TARGET
Km of Cycleways in the LGA	<p>This is a measure of the bitumen and concrete off-road linkages within and between the towns and villages of the local government area.</p> <p>The proposed definition (in the Draft Cycleway Strategy) of a shared path not being less than 2m wide results in a 2015 result of 9.7km.</p>	13.6 km 2012	16.4 km 2015	Increase
Engagement with young people	<p>This measure is the number of young people attending and participating in structured programs and drop-in services with CYCOS each year.</p> <p>This is a measure of the effectiveness of Council's provision of services to young people.</p> <p>This measure was 8,708 in 2010-11.</p>	8,708 2010-11	9,948 2014-15	>8,700 p.a.
Completion of programmed health & safety inspections	<p>This measure is the number of registered premises at 1 July: and the number of public health inspections carried out divided by the programmed public health inspections during a year.</p> <p>Public health inspections include food shop inspections, hairdressing shop inspections, public swimming pool inspections etc. This is a measure of Council's contribution to the health of the community.</p> <p>In 2011-12 there were 658 premises and 100% of programmed inspections were carried out.</p>	658 100% 2011-12	662 100%	N/A 100%
Completion of water cooling system inspections	<p>This measure is the number of registered premises at 1 July: and the number of water cooling towers inspected for legionnaires' disease divided by the programmed number of water cooling tower inspections during a year.</p> <p>This is a measure of Council's contribution to the health of the community.</p> <p>In 2011-12 there were 51 premises and 100% of programmed inspections were carried out.</p>	51 100% 2011-12	35 100%	N/A 100%
Library Utilisation	<p>These measures are the number of visits to Council's libraries plus the number of hits on the library page of Council's website.</p> <p>This data is sourced from the counters at the entrances to the libraries and from Council's internal website analysis.</p> <p>This is a measure of the community's utilisation of Council's library resources for the purpose of both recreation and education.</p>	206,485 visits 2011-12 25,814 hits 2011-12	194,893 visits 13,141 hits 208,034 combined 2014-15	> 235,000 p.a. Combined
Cessnock Performing Arts Centre Audience	<p>This measure is the number audience members that have attended performances at the Cessnock Performing Arts Centre in a calendar year.</p> <p>This measure is sourced from the centre's ticketing system.</p> <p>This is a measure of the community's exposure to community events and cultural experiences at the centre.</p>	16,873 2012	16,262 2014	18,500 p.a.

INTEGRATED PLANS AND STRATEGIC STUDIES

- Cessnock City Council Road Safety Strategic Plan 2014
- Cessnock City Cycling Strategy, Cessnock City Council (under development)
- Cessnock Performing Arts Centre Business Plan, Cessnock City Council 2011
- CYCOS Business Plan, Cessnock City Council
- Library Strategic Plan, Cessnock City Council
- Places, Spaces and Faces: Social & Cultural Plan 2009-2014, Cessnock City Council 2009
- Recreation & Open Space Strategic Plan 2009-2014, Cessnock City Council 2009
- Reflect Reconciliation Action Plan 2015



**A sustainable
and prosperous
economy**

COMMUNITY'S DESIRED OUTCOME:

A sustainable and prosperous economy

This desired outcome identifies the need to attract a diverse range of businesses, industries and services together with improved access to education, training and employment opportunities to ensure we have a sustainable and prosperous economy in Cessnock in 2023.

Council will undertake the following principal activities to achieve the objectives established in the community strategic plan, Cessnock 2023.



Economic development

- Supporting business growth and investment
- Strategic infrastructure
- Economic governance
- Securing grants



Education

- Scholarships and academic competitions
- Building workforce capability



Strategic land use planning

- Industrial land

OBJECTIVE 2.1:

Diversifying local business options

STRATEGIC DIRECTIONS

- Our local government area is attractive to and supportive of businesses.
- We have a diversity of businesses and industries across the local government area.
- Our planning controls provide for adequate industrial and commercial lands.

DELIVERY PROGRAM 2013-17

2.1.1	Continue to update marketing material for the local government area.
2.1.2	Support local business support agencies.
2.1.3	Commence implementation of the Economic Development Strategy.
2.1.4	Commence implementation of the Cessnock CBD Masterplan.
2.1.5	Prepare a Kurri Kurri CBD Masterplan.

OPERATIONAL PLAN 2016-17

RESPONSIBILITY

2.1.1	Continue to update marketing material for the local government area.	
2.1.2	Support local business support agencies.	
2.1.2.a	Support the "mainstreet" programs.	Economic Development
2.1.3	Commence implementation of the Economic Development Strategy.	
2.1.3.a	Implement the Business Investment Program.	Economic Development
2.1.4	Commence implementation of the Cessnock CBD Masterplan.	
2.1.4.a	Complete the development strategy for Cessnock Commercial Precinct Project (including draft development control plan and draft contributions plan).	Strategic Land Use Planning
2.1.4.b	Commence implementation of Stage 1 of the Cessnock Precinct Revitalisation Project.	Strategic Asset Planning Recreation Services
2.1.5	Prepare a Kurri Kurri CBD Masterplan.	
2.1.5.a	Continue development of the Kurri Kurri CBD Masterplan.	Strategic Land Use Planning

OBJECTIVE 2.2:

Achieving more sustainable employment opportunities

STRATEGIC DIRECTIONS

- We have learning opportunities for people of all ages.
- We have employment opportunities in the local government area.

DELIVERY PROGRAM 2013-17

- 2.2.1** Support programs that promote education and training for local people.
- 2.2.2** Support programs that promote employment for local people.

OPERATIONAL PLAN 2016-17

RESPONSIBILITY

2.2.1	Support programs that promote education and training for local people.	
2.2.1.a	Continue to award scholarships for academic, professional and trade excellence.	Mayor's Office
2.2.2	Support programs that promote employment for local people.	
2.2.2.a	Implement employment programs with a focus on youth unemployment.	Economic Development

OBJECTIVE 2.3:

Increasing tourism opportunities and visitation in the area

STRATEGIC DIRECTIONS

- We have a range of diverse visitor experiences across the entire local government area.
- Our Local Government Area is attractive to visitors.

DELIVERY PROGRAM 2013-17

- 2.3.1** Support programs that promote visitation across the local government area.
- 2.3.2** Support programs that promote a diversification of visitor experiences.

OPERATIONAL PLAN 2016-17

RESPONSIBILITY

2.3.1	Support programs that promote visitation across the local government area.	
2.3.1.a	Continue to implement the Hunter Valley Visitor Centre Strategy and Action Plans.	Economic Development
2.3.2	Support programs that promote a diversification of visitor experiences.	
2.3.2.a	Continue implementation of relevant projects from the Destination Management Plan (within existing resources).	Economic Development

MEASURES:

MEASURES	CONTEXT/BENCHMARK	BASE	2014-15 RESULT	TARGET
Grants secured for the community	<p>These three measures are:</p> <ul style="list-style-type: none"> - the number of grants applied for; and - the number and value of grants and sponsorships that were secured for the community with assistance by Council. 	94 Applied for 2012	41	Maintain
	<p>This is a measure of Council's contribution to economic and community capacity building – by gaining funding for projects and services within the local government area.</p>	46 Secured 2012	32	Improve
	<p>For the period January 2012 to February 2013, 46 grants and sponsorships totalling \$2,318,041.04 were secured, with Council assistance, for the community.</p>	\$2.3m Secured 2012	\$9.6m	Improve

INTEGRATED PLANS AND STRATEGIC STUDIES

- Cessnock CBD Masterplan, Cessnock City Council 2012
- Cessnock CBD Parking & Traffic Study 2006
- Destination Management Plan - Tourism Hunter
- Destination Management Plan - Cessnock & Singleton LGAs
- Economic Development Strategy, Cessnock City Council
- Sustainable Cessnock - CBD Business and Marketing Plan, Cessnock Chamber of Commerce and Cessnock City Council 2009

ALIGNMENT WITH GOALS FROM THE STATE PLAN - NSW 2021

- Drive economic growth in regional NSW.
- Strengthen the NSW skill base.
- Improve education and learning outcomes for students.



A sustainable and healthy environment

COMMUNITY'S DESIRED OUTCOME:

A sustainable and healthy environment

This desired outcome focuses on the conservation and preservation of the natural environment whilst balancing the impact of development to ensure a sustainable and healthy community.

Council will undertake the following principal activities to achieve the objectives established in the community strategic plan, Cessnock 2023.



Strategic land use planning

- Planning proposals
- Development contributions planning
- Heritage
- Planning policy (DCPs and policies)
- Strategic land use planning studies, strategies and masterplans



Development Assessment



Health

- Environmental pollution monitoring and enforcement
- On-site sewage management system inspections



Recreation

- Aquatic facilities
- Recreation facilities and management
- Weed management



Strategic asset planning

- Develop and review plans of management



Natural Environmental Planning

- Biodiversity management



Environment & Waste

- Kerbside waste and recycling service
- Waste management facility

OBJECTIVE 3.1:

Protecting and enhancing the natural environment and the rural character of the area

STRATEGIC DIRECTIONS

- Our planning controls provide protection to the rural character and heritage of the area.
- Our community is aware of the value of natural resources and biodiversity.
- Our environmental amenity is protected and enhanced.
- Our waterways and catchments are maintained and enhanced.

DELIVERY PROGRAM 2013-17

3.1.1	Prepare a City Wide Development Strategy.
3.1.2	Commence implementation of the Biodiversity Strategy.
3.1.3	Complete further Flood Studies and Risk Management Plans for major catchments in the Local Government Area.
3.1.4	Commence Implementation of Council's Trunk Stormwater Drainage Strategy.
3.1.5	Carry out regulatory and education programs to protect and enhance the natural environment.
3.1.6	Continue to efficiently and effectively process development applications and respond to planning-related enquiries.
3.1.7	Prepare a comprehensive Carbon Management Strategy and commence implementation.
3.1.8	Establish Council's position in relation to climate change adaptation and mitigation and implement priority actions.
3.1.9	Commence implementation of the Vineyard Vision.

OPERATIONAL PLAN 2016-17

RESPONSIBILITY

3.1.1	Prepare a City Wide Development Strategy.	
3.1.1.a	Complete phase 1 of the City Wide Planning Strategy. (replacing the Cessnock City Settlement Strategy)	Strategic Land Use Planning
3.1.2	Commence implementation of the Biodiversity Strategy.	
3.1.3	Complete further Flood Studies and Risk Management Plans for major catchments in the Local Government Area.	
3.1.3.a	Finalise procurement of consultants for the Greta/Anvil Creek Flood Study.	Strategic Asset Planning
3.1.4	Commence Implementation of Council's Trunk Stormwater Drainage Strategy.	
3.1.5	Carry out regulatory and education programs to protect and enhance the natural environment.	
3.1.5.a	Continue implementation of the regional Weeds Action Plan.	Recreation Services
3.1.6	Continue to efficiently and effectively process development applications and respond to planning-related enquiries.	
3.1.6.a	Continue to progress the integration and implementation of the on-line application module for development assessment.	Business Support

OPERATIONAL PLAN 2016-17		RESPONSIBILITY
3.1.7	Prepare a comprehensive Carbon Management Strategy and commence implementation.	Natural Environment Planning
3.1.8	Establish Council's position in relation to climate change adaptation and mitigation and implement priority actions.	
3.1.8.a	Continue to implement the priority projects from the Energy Reduction & Carbon Management Plan.	
3.1.9	Commence implementation of the Vineyard Vision.	

OBJECTIVE 3.2:

Better utilisation of existing open space

STRATEGIC DIRECTIONS

- Our open spaces are distributed where people live.
- We have green corridors connecting our open space areas.
- We have high quality, centralised multi-purpose sporting and recreation facilities.
- Our open spaces have suitable amenities and plenty of shade.

DELIVERY PROGRAM 2013-17

3.2.1	Complete the Recreation Needs Analysis and review the Recreation & Open Space Strategic Plan 2009-2014.
3.2.2	Develop new Plans of Management.
3.2.3	Finalise implementation of the Recreation & Open Space Strategic Plan 2009-2014.
3.2.4	Continue to implement the adopted masterplans for Council's recreation & community facilities.

OPERATIONAL PLAN 2016-17		RESPONSIBILITY
3.2.1	Complete the Recreation Needs Analysis and review the Recreation & Open Space Strategic Plan 2009-2014.	Recreation Services
3.2.1.a	Complete the review of the Recreation & Open Space Strategic Plan.	
3.2.2	Develop new Plans of Management.	Recreation Services
3.2.2.a	Continue the development of the remaining generic community land Plans of Management.	
3.2.3	Finalise implementation of the Recreation & Open Space Strategic Plan 2009-2014.	
3.2.4	Continue to implement the adopted Masterplans for Council's recreation & community facilities.	



OBJECTIVE 3.3:

Better waste management and recycling

STRATEGIC DIRECTIONS

- We divert more of our household waste for recycling or re-processing.

DELIVERY PROGRAM 2013-17

3.3.1 Commence implementation of the priority projects from the revised Waste Management Strategy.

OPERATIONAL PLAN 2016-17 RESPONSIBILITY

3.3.1	Commence implementation of the priority projects from the revised Waste Management Strategy.	
3.3.1.a	Commence construction of Stage 1 redevelopment of Waste Management & Reuse Centre expansion project.	Environment & Waste
3.3.1.b	Continue implementation of the priority projects from the Waste Management Strategy 2014-19.	Environment & Waste
3.3.1.c	Implement the priority actions of the EPA – Waste Less Recycle More Program.	Environment & Waste

MEASURES:

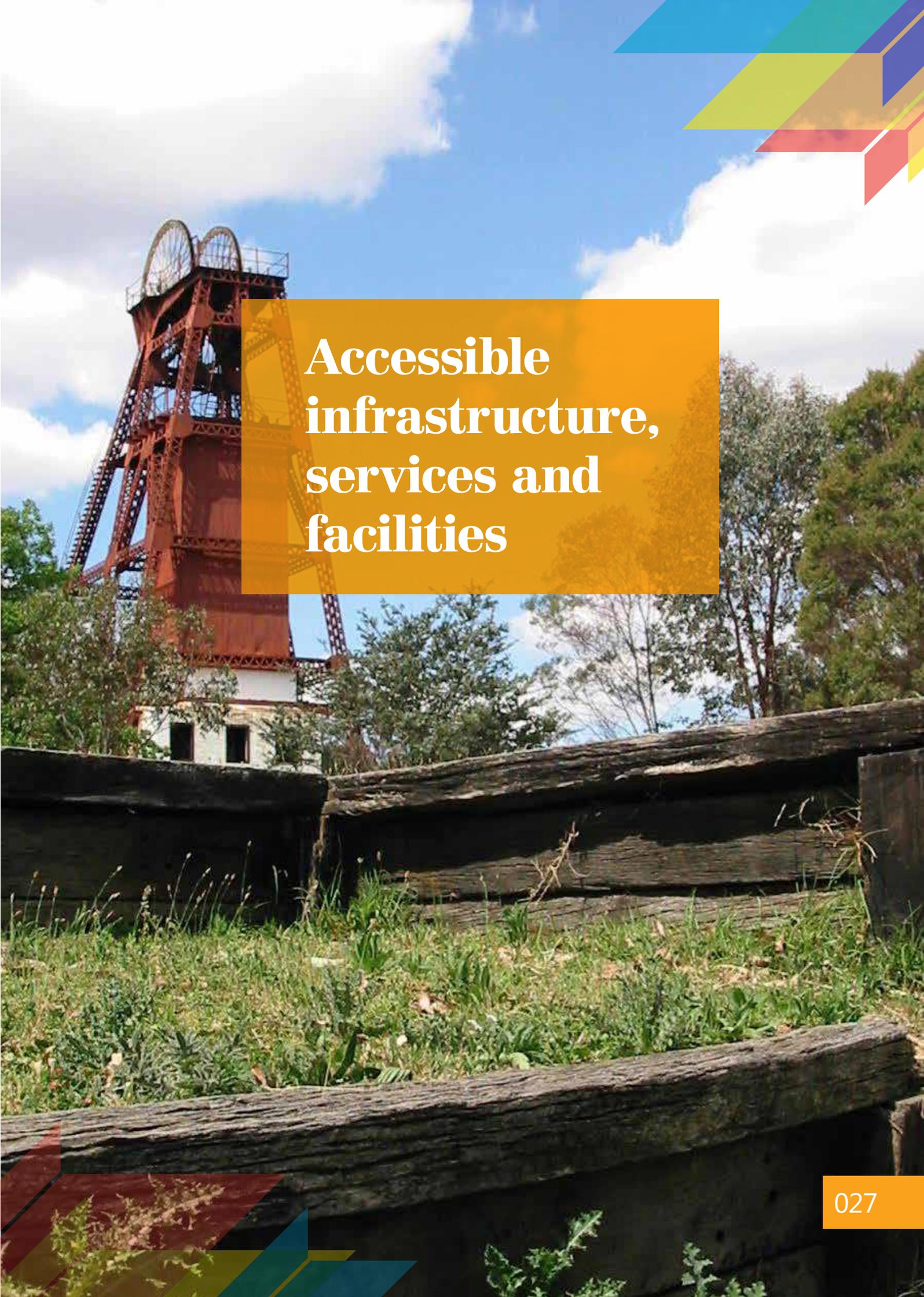
MEASURES	CONTEXT/BENCHMARK	BASE	2014-15 RESULT	TARGET
Development Application Processing Times	This measure is the mean and the median number of days to process Development Applications (for all DAs which have been determined).	75 Mean 2011-12	48.16 Mean	Maintain
	This data is sourced from the Local Development Performance Monitoring Report.	31 Median 2011-12	26 Median 2014-15	Maintain
Environmental health and protection inspections	This measure is the number of on-site sewage management inspections carried out in line with Council's On-Site Sewage Management System Strategy. This is a measure of Council's contribution to the health of the local environment. This measure was 1,193 in 2011-12.	1,193 2011-12	1,481 2014-15	>900
Completion of Capital Works Program - Recreation	This measure is the number of completed projects divided by the total number of projects (in the CFR, CBR, CFP, CBC, and CFC sections) of the adopted Recreation & Buildings Capital Works Program.	N/A	89% 2014-15	>85%
Waste & Recycling	This is a measure of the number of tonnes recycled via the kerbside recycling service. The kerbside recycling service was provided to 18,881 properties in 2011-12. This measure is sourced from Hunter Resource Recovery.	4,447t 2011-12	4,868t 2014-15	>4,500t p.a.
Waste & Recycling	This is a measure of the number of domestic waste collection services provided by Council. In 2011-12 there were 23,781 rateable properties and approximately 17,500t of domestic waste (out of a total of 38,892t) was disposed of at Council's landfill site.	18,881 2011-12	20,224	Increase

INTEGRATED PLANS AND STRATEGIC STUDIES

- Aquatic Needs Analysis 2014
- Black Creek Flood Study 2010
- Carmichael Park Masterplan and Plan of Management
- Carbon Management & Energy Reduction Plan
- Cessnock Biodiversity Management Plan
- Cessnock Biodiversity Strategy
- Cessnock CBD Masterplan 2012
- Cessnock City Council Cemetery Strategy 2009
- Cessnock City Council Skate & BMX Facilities Needs Assessment 2020
- Cessnock City Flood Plain Risk Management Study & Plan 2016
- Cessnock Heritage Study 1994
- Cessnock Local Environmental Plan 2011, Cessnock City Council
- Citywide Settlement Strategy 2010, Cessnock City Council
- Gordon Williams Memorial Lawn Cemetery Masterplan
- General Community Use (Community Land) Plan of Management 2014
- Generic Parks Plan of Management 2014
- Generic Playgrounds Plan of Management 2009
- Generic Sportsground Plan of Management 2014
- Greta Central Oval Plan of Management 2008
- Kurri Kurri Cemetery Masterplan 2010
- Lower Hunter Regional Strategy 2006, NSW Department of Planning
- Miller Park Masterplan and Plan of Management
- Mt View Basin Masterplan and Plan of Management
- On-Site Sewage Management System Strategy 2012, Cessnock City Council
- Recreation & Open Space Strategic Plan 2009-2014, Cessnock City Council

ALIGNMENT WITH GOALS FROM THE STATE PLAN - NSW 2021

- Protect our natural environment.
- Enhance cultural, creative, sporting and recreation opportunities.



Accessible infrastructure, services and facilities

COMMUNITY'S DESIRED OUTCOME:

Accessible infrastructure, services and facilities

This desired outcome identifies the local, state and federal infrastructure, services and facilities needed to serve the current and future community of Cessnock while ensuring there is adequate access to these facilities and services.

Council will undertake the following principal activities to achieve the objectives established in the community strategic plan, Cessnock 2023.



Strategic asset planning

- Capital works program development
- Community buildings
- Flooding and drainage
- Public transport stops
- Recreation facilities
- Roads and bridges



Design delivery

- Contract management
- Project management



Works delivery

- Construction of new infrastructure
- Infrastructure renewal
- Road, footpath and drainage maintenance



Depot and support services

- Building maintenance
- Plant and fleet
- Procurement



Council assets

- Cessnock Airport
- Cemeteries

OBJECTIVE 4.1:

Better transport links

STRATEGIC DIRECTIONS

- We have access to a range of public and community transport within the local government area.
- We have access to a range of public and community transport beyond the local government area.
- We have a new passenger train service in Cessnock.

DELIVERY PROGRAM 2013-17

- 4.1.1 Contribute to the Transport for NSW's Hunter Regional Transport Masterplan.
- 4.1.2 Advocate for increased transport funding.
- 4.1.3 Complete all components of the City Wide Infrastructure Strategy.
- 4.1.4 Commence implementation of priority projects from the City Wide Infrastructure Strategy.
- 4.1.5 Commence implementation of the Cessnock Airport Strategic Plan.

OPERATIONAL PLAN 2016-17

RESPONSIBILITY

4.1.1	Contribute to the Transport for NSW's Hunter Regional Transport Masterplan.	Strategic Asset Planning
4.1.2	Advocate for increased transport funding.	
4.1.3	Complete all components of the City Wide Infrastructure Strategy.	
4.1.3.a	Complete the umbrella City Wide Infrastructure Strategy.	Integrated Planning & Strategic Property
4.1.4	Commence implementation of priority projects from the City Wide Infrastructure Strategy.	
4.1.5	Commence implementation of the Cessnock Airport Strategic Plan.	
4.1.5.a	Continue implementation of the priority projects from the Airport Strategic Plan.	

OBJECTIVE 4.2:

Improving the road network

STRATEGIC DIRECTIONS

- We have a quality road network.
- We have managed the traffic impact of the Hunter Expressway on local communities.

DELIVERY PROGRAM 2013-17

- 4.2.1 Improve the corporate asset management system.
- 4.2.2 Advocate for road funding to better manage traffic impacts on the local road network.
- 4.2.3 Deliver prioritised capital works programs in line with adopted asset management plans.
- 4.2.4 Improve support services and facilities to assist works delivery.
- 4.2.5 Adopt the City Wide Section 94 Contributions Plan.

OPERATIONAL PLAN 2016-17

RESPONSIBILITY

4.2.1	Improve the corporate asset management system.	Strategic Land Use Planning
4.2.2	Advocate for road funding to better manage traffic impacts on the local road network.	
4.2.3	Deliver prioritised capital works programs in line with adopted asset management plans.	
4.2.4	Improve support services and facilities to assist works delivery.	
4.2.5	Adopt the City Wide Section 94 Contributions Plan.	
4.2.5.a	Continue preparation and review of Section 94 Contributions Plans.	

ALIGNMENT WITH GOALS FROM THE STATE PLAN - NSW 2021

- Keep people healthy and out of hospital.
- Invest in critical infrastructure.

OBJECTIVE 4.3:

Improving access to health services locally

STRATEGIC DIRECTIONS

- We have better availability of and access to hospitals and health services in the local government area.
- We have better availability of and access to general practitioners and dental services in the local government area.

DELIVERY PROGRAM 2013-17

- 4.3.1** Advocate for health services on behalf of the community.

OPERATIONAL PLAN 2016-17

RESPONSIBILITY

- 4.3.1** Advocate for health services on behalf of the community.

MEASURES:

MEASURES	CONTEXT/BENCHMARK	BASE	2014-15 RESULT	TARGET
Asset Management Maturity	<p>This measure is the qualitative assessment of Council's asset management maturity.</p> <p>The measure is assessed on a scale of basic, core and advanced.</p>	Basic	Basic June 2015	Core
Completion capital works program – roads, bridges and drainage	<p>This measure is the number of completed projects divided by the total number of projects (in the <u>CRL</u>, <u>CRR</u>, <u>CRV</u>, <u>CBS</u>, <u>CDR</u>, <u>RRL</u> and <u>RRR</u> sections) of the adopted Roads, Bridges & Drainage Capital Works Program.</p>	N/A	87%	>85%

INTEGRATED PLANS AND STRATEGIC STUDIES

- Asset Management Policy
- Asset Management Strategy
- Asset Management Plans
- Cessnock Airport Strategic Plan
- Contribution Plans



Civic leadership and effective governance

COMMUNITY'S DESIRED OUTCOME:

Civic leadership and effective governance

This desired outcome focuses on the need for strong civic leadership and effective governance with an engaged community actively participating in decision making processes affecting their future.

Council will undertake the following principal activities to achieve the objectives established in the community strategic plan, Cessnock 2023.



Community engagement

- Communications
- Customer service



Governance

- Corporate administration
- Mayor and councillors secretariat
- Internal audit
- Integrated planning
- Policies
- Property
- Risk management



Finance

- Rates
- Accounting
- Insurance



Information

- Information systems
- Corporate records
- Geographic information systems

OBJECTIVE 5.1:

Fostering and supporting community leadership

STRATEGIC DIRECTIONS

- We have well-trained and qualified leaders in our community and in our workforce.
- Our young people have aspirations to become leaders.

DELIVERY PROGRAM 2013-17

5.1.1	Establish a professional development program for Councillors.
5.1.2	Explore opportunities within the Council workforce for traineeships, apprenticeships and work experience programs.
5.1.3	Recognise the work of community leaders.

OPERATIONAL PLAN 2016-17

OPERATIONAL PLAN 2016-17		RESPONSIBILITY
5.1.1	Establish a professional development program for Councillors.	Governance & Business Services
5.1.1.a	Develop and deliver pre and post Council-election training sessions and induction (for prospective and successful candidates).	
5.1.2	Explore opportunities within the Council workforce for traineeships, apprenticeships and work experience programs.	
5.1.3	Recognise the work of community leaders.	

OBJECTIVE 5.2:

Encouraging more community participation in decision making

STRATEGIC DIRECTIONS

- We are informed about our community.
- We are involved in decisions affecting our community.
- We have improved relationships between different levels of government.

DELIVERY PROGRAM 2013-17

5.2.1	Commence implementation of the priority projects from the Communications & Engagement Strategy.
5.2.2	Improve Council's use of technology to inform and engage the community.

OPERATIONAL PLAN 2016-17

OPERATIONAL PLAN 2016-17		RESPONSIBILITY
5.2.1	Commence implementation of the priority projects from the Communications & Engagement Strategy.	Information Technology
5.2.2	Improve Council's use of technology to inform and engage the community.	
5.2.2.a	Update Council's telephony products.	
5.2.2.b	Investigate the implementation of a Council app for smart devices to improve communication with the community.	

OBJECTIVE 5.3:

Making Council more responsive to the community

STRATEGIC DIRECTIONS

- Our Council is responsive to the community.
- Our Council's processes are efficient and transparent.

DELIVERY PROGRAM 2013-17

5.3.1	Commence implementation of the priority projects from the Customer Service Strategy.
5.3.2	Implement systems and strategies to improve productivity across the organisation.
5.3.3	Develop and implement a strategic and operational internal audit program.
5.3.4	Review and implement a revised Risk Management Strategy.
5.3.5	Carry out governance functions, provide advice and conduct education programs to comply with legislation and best practice.
5.3.6	Review the Community Strategic Plan.
5.3.7	Develop and implement a special rate variation strategy.

OPERATIONAL PLAN 2016-17

RESPONSIBILITY

OPERATIONAL PLAN 2016-17		RESPONSIBILITY
5.3.1	Commence implementation of the priority projects from the Customer Service Strategy.	Governance & Business Services
5.3.1.a	Continue implementation of priority projects from the Customer Service Strategy.	
5.3.2	Implement systems and strategies to improve productivity across the organisation.	Human Resources
5.3.2.a	Continue to implement a performance management system.	
5.3.2.b	Continue to implement a new remuneration system.	
5.3.2.c	Develop an Enterprise Agreement that satisfies the needs of Council and its employees.	Human Resources
5.3.3	Develop and implement a strategic and operational internal audit program.	Internal Audit
5.3.3.a	Implement the annual 2016-17 internal audit program.	
5.3.4	Review and implement a revised Risk Management Strategy.	Governance & Business Services
5.3.4.a	Commence implementation of the Enterprise Risk Management Strategy.	
5.3.5	Carry out governance functions, provide advice and conduct education programs to comply with legislation and best practice.	Integrated Planning & Strategic Property
5.3.6	Review the Community Strategic Plan.	
5.3.7	Develop and implement a special rate variation strategy.	
5.3.7.a	Progress the Financial Sustainability Initiative/Council Improvement Proposal projects.	

MEASURES:

MEASURES	CONTEXT/BENCHMARK	BASE	2014-15 RESULT	TARGET
Satisfaction with Council's performance overall	<p>This measure is from a random survey of residents where they are asked to rate their satisfaction with Council's performance overall on a scale of 1-5, where 1 = low satisfaction and 5 = high satisfaction.</p> <p>The benchmark in 2009 from similar surveys with over 15,000 residents across 25 local government areas was 3.5.</p> <p>The 2012 rating was 2.4 (compared with 3.2 in August 2009).</p>	2.4 2012	3.2 2014	>3
Response to Telephone Calls	<p>The number of telephone calls to the call centre that are not abandoned divided by the total number of telephone calls to the call centre.</p> <p>This data is sourced from Council's telephone system.</p>	87.7% 2011-12	87.1% 2014-15	90%
Response to Customer Requests	<p>The number of customer requests that are completed within agreed timeframes divided by the total number of customer requests completed.</p> <p>This data is sourced from the workflows in Council's customer request management system.</p>	N/A	74% 2014-15	80%

INTEGRATED PLANS AND STRATEGIC STUDIES

- *Cessnock 2023*
- Communications & Engagement Strategy, Cessnock City Council
- Customer Service Strategy (under review)
- Strategic Audit Plan 2013-16

ALIGNMENT WITH GOALS FROM THE STATE PLAN - NSW 2021

- Restore trust in State and Local Government as a service provider.
- Improve government transparency by increasing access to government information.
- Involve the community in decision making on government policy, services and projects.

The image shows the exterior of a wooden building with a sign that reads "The Old Wollombi Dance Hall". The building features vertical wooden siding in alternating light and dark brown tones. A wooden sign is mounted on the wall, and a balcony with a wooden railing is visible on the left side. The overall scene is captured from a low angle, looking up at the building.

The Old Wollombi
Dance Hall

2016-17 Budget

Financial Forecasts

ASSUMPTIONS

The 2016-17 estimates of income and expenditure in this document have been prepared using the following financial assumptions:

GENERAL RATES

- Ordinary rates are increased by 2.5% comprising the rate peg limit of 1.8% plus 0.7% for growth including the "Huntlee" development.

DOMESTIC WASTE MANAGEMENT CHARGES

- Domestic Waste Management Charges have increased by 6.3%.

INTEREST RATES

- Interest on new loans of 5.0% (5.0% in 2015-16) and interest on investments of 2.5% (2.5% in 2015-16).

INFLATION

The adopted Long-Term Financial Plan included no increase in salaries and wages, 1% inflation for materials and contracts and 2.5% inflation for electricity, insurance and other expenses. The 2016-17 annual budget has been based on a 2.8% award increase in salaries and wages (2.7% in 2015-16) offset by reduced materials, contracts and other expenses to meet the adopted Long-Term Financial Plan targets.

RISKS

This Operational Plan incorporates assumptions and judgments based on the information available at the time of publication. Unexpected changes in a range of factors could influence the outcomes in the current and future years.

GENERAL RISKS

A major influence on expected revenues and expenses in any year is the economy. The level of economic activity will impact demand for some of Council's services, while changes in inflation rates and interest rates will be reflected in the costs Council pays for materials and services and the return on its investments.

Many of Council's maintenance and construction activities are impacted by the weather; extreme weather conditions can impact on priorities (because of road deterioration, cleaning of debris etc.) and result in programmed works being postponed.

Significant changes in government legislation, particularly in the areas of planning, resource management and local government framework/ services, could result in additional costs being borne by Council.

Council, as a multi-purpose organisation, providing a large range of buildings, parks,

playgrounds and other facilities accessible to the public, could possibly face insurance claims at any time.

Council is the planning consent authority under the Environmental Planning & Assessment Act 1979. Pursuant to that Act, certain persons aggrieved by a planning decision of Council may appeal to the Land & Environment Court. It is the Court's normal practice that parties bear their own legal costs, however the amount of costs cannot be known until an appeal is determined.

On the revenue side, grants are a material component of Council's source of funds and are subject to political decisions by other levels of government.

Financial Forecasts

SPECIFIC RISKS

Climate

Climate variability is the way climate fluctuates (in the short-term) above or below a long-term average value. Common drivers of climate variability include El Nino and La Nina events.

Climate change is a long-term continuous change (over centuries and millennia) to average weather conditions. Climate change is slow and gradual, and unlike year-to-year variability, is very difficult to perceive without scientific records. Climate change occurs because of changes to the Earth's environment, the changes in its orbit around the sun or human modification of the atmosphere.

The Garnaut Report (2008) found that, as a result of past actions, the world is already committed to a level of warming that could lead to damaging climate change. The continuing growth in greenhouse gas emissions is expected to have a severe and costly impact on agriculture, infrastructure, biodiversity and ecosystems in Australia. The report concluded that every Australian would have to adapt to climate change... for the maintenance of their livelihoods and the things that they value.

Climate change will affect rainfall, temperature and sea levels and will have consequences on flooding,

soil moisture, bushfire intensity and storm events. It will cause the re-evaluation of Council activities and priorities, as well as significantly impacting on future plans.

Council has taken some initial measures to mitigate the broader risk of climate change.

Council's response to date has included initiatives to improve the coordination and effectiveness of Council's response to climate change. However, the extent of climate change impacts on the social and economic wellbeing of our community is yet to be comprehensively assessed.

Ability to Fund Asset Management

A common issue arising from recent local government reviews has been the shortfall in infrastructure maintenance and renewals expenditure (and how it is to be funded) to ensure that infrastructure is providing the level of service expected by the community. If appropriate asset management processes are not adopted, then assets can deteriorate to the point where level of service standards cannot be met.

Council has an Asset Management Strategy and draft Asset Management Plans for the key infrastructure classes of roads, bridges, stormwater drainage, buildings and open space.

Development Applications

The revenue estimates for development applications (DAs) are based on ongoing residential building activity in the Local Government Area.

Rate Pegging

Rate pegging limitations continue to constrain revenue raising capacity and place extra burden on Council when rate pegging increases are less than increases in the costs faced by Councils.

In 2016-17 the rate peg limit of 1.8% was less than the forecast rate peg of 2.4% in Council's adopted Long-Term Financial Plan.

Future Funding Obligations

Council has identified a substantial commitment to future works which will require funding in future years, with some of those projects requiring attention in the short to medium term.

Due to the significant amounts associated with these future commitments, the capacity of Council to provide funding within existing budgets will need to be reviewed, along with the level of funding provided to existing services.

Financial Forecasts

CURRENT FINANCIAL POSITION OF COUNCIL

The long term financial position of the Council remains a significant challenge over future years. While Council still adopts a balanced budget strategy, current operations continue to exert considerable pressure on Council's capacity to manage its financial position. Also, Council has a substantial financial commitment to future capital works.

In April 2013, Council received the results from the NSW Treasury Corporation (TCorp) assessment of the financial capacity and sustainability of all 152 councils in NSW. TCorp has prepared a Financial Sustainability Rating (FSR) and Outlook for each council, in order to provide an overall position of the sustainability of Councils when compared with other councils within NSW.

Cessnock City Council has been assessed as:

Financial Sustainability Rating (FSR) - Moderate

Outlook - Negative

The report states, a Council with a FSR of moderate and an outlook of negative, is assessed as being in a deteriorating position or at risk of being down graded from moderate to weak. As TCorp considers an FSR of lower than moderate to be at much greater risk of being unsustainable, councils in this position need to be considering

options for addressing the areas of poor performance that are contributing to Council's assessed FSR and Outlook.

TCorp has issued definitions for the above ratings, as follows:-

1. *Financial Sustainability Rating (FSR) – Moderate*

- A local government with an adequate capacity to meet its financial commitments in the short to medium term and an acceptable capacity in the long term.
- While it has some record of reporting minor to moderate operating deficits the local government may also have recently reported a significant operating deficit.
- It is likely able to address its operating deficits, manage unforeseen financial shocks and any adverse changes in its business, with moderate revenue and/or expense adjustments. The expense adjustments are likely to result in a number of changes to the range of and/or quality of services offered.
- Its capacity to manage core business risks is moderate.

2. *Outlook – Negative*

- As a result of a foreseeable event or circumstance occurring, there is the potential for deterioration in the local government's capacity to meet its financial commitments (short and/or long term) and resulting change in its rating. However,

it does not necessarily indicate that a rating change may be forthcoming.

The TCorp assessment confirms Council's long-term financial forecasting; that the continuation of Council's current spending and income patterns is not sustainable.

Council's response to this was the adoption, in July 2014, of a Financial Sustainability Initiative to ensure that, in the long-term, Council generates sufficient funds to provide the levels of service and infrastructure agreed with our community.

In essence, the underlying objectives of the Financial Sustainability Initiative are to:

- Reduce costs
- Increase revenues; and
- Improve value-for-money.

Nine projects were identified to achieve the Financial Sustainability Initiative objectives:

- Service review;
- Productivity improvements & cost savings project;
- Sponsorship & subsidies review;
- Strategic property review;
- Fees & charges review;
- Assets, depreciation & capital commitments review;
- Developer contributions review;
- Business opportunities framework; and
- Special rate variation strategy.

These projects have been incorporated into Council's *Fit for the Future* Improvement Proposal.

Operational Budget

	2015-16 ORIGINAL BUDGET SHORTFALL (SURPLUS)	OPERATING EXPENSES	OPERATING REVENUES	CAPITAL EXPENSES	CAPITAL REVENUE	NET BUDGET RESULT 2016-17: SHORTFALL (SURPLUS)
COUNCIL & GENERAL MANAGER	3,443,520	4,995,320	(1,246,475)	3,000	-	3,751,845
General Manager's Office	636,350	751,650	-	-	-	751,650
Mayor & Council	634,960	941,700	(306,775)	-	-	634,925
Business Improvement	143,750	230,200	-	-	-	230,200
Economic Development	769,960	1,528,770	(766,700)	3,000	-	765,070
Human Resources	1,100,500	1,303,300	(173,000)	-	-	1,130,300
Media & Communication	158,000	239,700	-	-	-	239,700
CORPORATE & COMMUNITY SERVICES	(27,951,132)	16,067,960	(44,775,300)	(1,030,260)	-	(29,737,600)
Director Corporate & Community Services	377,700	447,800	-	2,000	-	449,800
Community & Cultural Engagement	2,504,990	2,710,338	(454,493)	261,800	-	2,517,645
Depot Services	1,830,903	1,828,000	28,320	10,000	-	1,866,320
Financial Services	(36,597,800)	7,288,275	(42,055,203)	(3,499,600)	-	(38,266,528)
Fleet Management	-	39,000	(2,055,000)	2,016,000	-	-
Governance & Business Services	2,148,570	1,852,420	(39,684)	500	-	1,813,236
Information Systems	1,784,505	1,902,127	(199,240)	179,040	-	1,881,927
PLANNING & ENVIRONMENT	5,264,134	9,029,584	(3,293,400)	-	-	5,736,184
Director Planning & Environment	590,350	601,250	-	-	-	601,250
Health & Building	1,114,270	3,300,222	(2,138,700)	-	-	1,161,522
Business Support	562,950	901,600	(286,600)	-	-	615,000
Development Services	1,582,309	2,285,562	(528,550)	-	-	1,757,012
Integrated Planning & Strategic Property	546,105	823,950	(260,750)	-	-	563,200
Natural Environment Planning	166,200	179,000	-	-	-	179,000
Strategic Land Use Planning	701,950	938,000	(78,800)	-	-	859,200

Operational Budget

	2015-16 ORIGINAL BUDGET SHORTFALL (SURPLUS)	OPERATING EXPENSES	OPERATING REVENUES	CAPITAL EXPENSES	CAPITAL REVENUE	NET BUDGET RESULT 2016-17: SHORTFALL (SURPLUS)
WORKS & INFRASTRUCTURE	19,241,690	34,905,468	(30,507,911)	24,578,408	(8,726,394)	20,249,571
Administration Support	1,085,850	1,763,900	(157,900)	-	-	1,606,000
Design Delivery	1,387,800	1,568,600	(125,800)	4,000	(1,200)	1,445,600
Environment & Sustainability	268,100	286,430	(7,750)	-	-	278,680
Recreation Parks	530,800	567,100	-	-	-	567,100
Recreation Services	5,299,804	5,012,101	(464,350)	1,154,700	(165,000)	5,537,451
Sanitary Services	5,750	10	5,900	-	-	5,910
Strategic Asset Planning	3,628,246	2,401,607	(6,768,041)	14,419,208	(8,560,194)	1,492,580
Waste Services	-	13,239,870	(20,709,970)	7,472,500	-	2,400
Works Delivery	7,035,340	10,065,850	(2,280,000)	1,528,000	-	9,313,850
TOTAL	(1,788)	64,998,332	(79,823,086)	23,551,148	(8,726,394)	-

Budget by Function/Activity - Note 2(a)

FUNCTIONS/ACTIVITIES	Income and Expenses have been directly attributed to the following Functions/Activities		
	Income from Continuing Operations	Expenses from Continuing Operations	Operating Result from Continuing Operations
	2016-17 Budget	2016-17 Budget	2016-17 Budget
Governance	1,218,442	-	1,218,442
Administration	17,831,915	(861,634)	16,970,281
Public Order & Safety	2,034,770	(628,300)	1,406,470
Health	752,600	(1,109,600)	(357,000)
Environment	15,388,352	(14,238,273)	1,150,079
Community Services & Education	356,360	(49,693)	306,667
Housing & Community Amenities	5,414,379	(1,092,250)	4,322,129
Recreation & Culture	8,355,752	(731,750)	7,642,002
Mining, Manufacturing & Construction	1,194,250	(872,000)	322,250
Transport & Communication	16,362,310	(6,412,787)	9,949,523
Economic Affairs	1,693,320	(777,775)	915,545
TOTAL FUNCTIONS & ACTIVITIES	70,602,450	(26,774,062)	43,828,388
General Purpose Income ¹	-	(41,646,200)	(41,646,200)
OPERATING RESULT FROM CONTINUING OPERATIONS	70,602,450	(68,420,262)	2,182,188

1. Includes: Rates & Annual Charges (incl. Ex-Gratia), Untied General Purpose Grants & Unrestricted Interest & Investment Income.

Profit & Loss Statement

	2014-15 ACTUAL PROFIT & LOSS	2015-16 ADOPTED BUDGET PROFIT & LOSS	2016-17 FORECAST PROFIT & LOSS
REVENUE			
Rates & Annual Charges	(42,162,000)	(43,225,186)	(45,832,940)
User Charges & Fees	(7,510,000)	(7,232,141)	(7,188,850)
Interest & Investment Revenue	(1,098,000)	(729,100)	(864,500)
Other Operating Revenues	(1,557,000)	(1,058,190)	(1,078,254)
Operating Grants & Contributions	(16,209,000)	(12,674,579)	(13,455,718)
Net gain from disposal of assets	-	-	-
Sub-Total	(68,536,000)	(64,919,196)	(68,420,262)
EXPENSES			
Employee Benefits & On-costs	27,084,000	25,704,750	30,263,440
Borrowing Costs	627,000	566,708	541,825
Materials & Contracts	15,734,000	13,881,395	12,978,424
Depreciation & Amortisation	12,939,000	13,015,000	10,115,000
Other expenses	11,775,000	11,638,431	13,209,761
Net loss from Disposal of Assets	3,845,000	0	3,500,000
Sub-Total	72,004,000	64,806,284	70,608,450
Operating Result - (Surplus)/Loss	3,468,000	(112,912)	2,188,188
Capital Grants & Contributions	(10,930,000)	(6,052,000)	(7,013,450)
Overall Result - (Surplus)/Loss	(7,462,000)	(6,164,912)	(4,825,262)

	FIT FOR THE FUTURE BENCHMARK	2014-15 ACTUAL PROFIT & LOSS	2015-16 ADOPTED BUDGET PROFIT & LOSS	2016-17 FORECAST PROFIT & LOSS
Operating Performance*	>0	+0.005	+0.002	+0.019
Own Source Revenue*	>60%	65.85%	73.6%	72.9%
Building & Infrastructure Renewal*	>100%	141.95%	140.9%	205.1%
Infrastructure Backlog	>2%	0.49%	1.11%	N/A
Asset Maintenance*	>100%	71%	98.4%	106.8%
Debt Service*	>0 & <20%	2.57%	2.66%	2.60%

*Annual figure (not average over three years)

Reserve Balances

	2015-16 ESTIMATED RESERVE BALANCE	PROPOSED TRANSFERS TO RESERVE	PROPOSED TRANSFERS FROM RESERVES	2016-17 FORECAST RESERVE BALANCE
EXTERNAL RESTRICTIONS				
Developer Contributions	6,515,000	1,500,000	1,137,600	6,877,400
Domestic Waste Management	844,479	0	0	844,479
RMS	3,510,000	0	1,357,000	2,153,000
Sub-Total External Restrictions	10,869,479	1,500,000	2,494,600	9,874,879
INTERNAL RESTRICTIONS				
Bridge Replacement	254,444	168,000	168,000	254,444
Computer Services	125,825	270,000	199,040	196,785
Employee Leave Entitlements	2,221,189	455,000	400,000	2,276,189
Energy Efficiency	200,000	0	0	200,000
Insurance Provisions	276,828	0	72,000	204,828
Lawn Cemereties	4,868	400	400	4,868
Miscellaneous Projects	1,970,997	332,500	1,111,204	1,192,293
Operations & Programs Provision	797,016	185,000	300,000	682,016
Planning Proposals	282,367	0	0	282,367
Plant & Vehicle Replacement	2,814,320	1,028,800	1,500,000	2,343,120
Property Investment Fund	575,052	20,000	8,950	586,102
Sanitary Operations	21,670	0	0	21,670
Single Invitation Contracts	904,514	0	0	904,514
Waste Depot & Rehabilitation	12,864,350	0	7,290,330	5,574,020
Sub-Total Internal Restrictions	23,313,440	2,459,700	11,049,924	14,723,216
TOTAL	34,182,919	3,959,700	13,959,524	24,598,095

Capital Works Program

INFRASTRUCTURE FORWARD PLANNING	2016-17
PROJECT NAME	<i>Project No.</i>
Road Administration	PFI-2017-011
Masterplan - Mt View Park	PFI-2017-012
Masterplan - Turner Park	PFI-2017-013
Masterplan - Miller Park	PFI-2017-014
Cessnock Skatepark Feasibility Study	PFI-2017-015
Recreation and Open Space Design Guidelines	PFI-2017-016
Strategic Investigations	PFI-2017-017
Buildings Structural Assessment	PFI-2017-021
Carpark Asset Data Collection	PFI-2017-022
Community Level of Service (asset only)	PFI-2017-023
Level 3 Bridge Inspections	PFI-2017-024
Buildings Asset Data Collection (stage 1)	PFI-2017-025
Richmond Main Reports	PFI-2017-026
Stormwater Data Collections (remaining 30%)	PFI-2017-027
Pre-construction Investigation, Survey and Design	PFI-2017-003
<i>Funding Source: General Fund</i>	\$790,000
LOCAL ROAD RENEWAL PROGRAM	2016-17
PROJECT NAME	<i>Project No.</i>
Local Road Resurfacing Program	RRL-2017-001
Rural Road Regravelling Program	RRL-2017-002
Local Road Special Rate Variation Resurfacing Program	RRL-2017-009
Railway Parade Kurri Kurri Rehabilitation	RRL-2017-003
Anzac Avenue Cessnock Rehabilitation	RRL-2017-004
Harle Street Weston Rehabilitation and Culvert Upgrade	RRL-2017-005
Loxford to Cessnock Link - Investigation (Grant Funding dependent)	RRL-2017-010
Maitland Street Kurri Kurri Rehabilitation and Table Drain Improvement	RRL-2017-006
Alexander Street Cessnock Rehabilitation	RRL-2017-007
Wermol Street Kurri Kurri Rehabilitation and Table Drain Improvement	RRL-2017-008
<i>Funding Source: General Fund, Special Rate Variation</i>	\$2,929,208
LOCAL ROAD CONSTRUCTION PROGRAM	2016-17
PROJECT NAME	<i>Project No.</i>
James Street and Wollombi Road Cessnock Pedestrian Refuge	CRL-2017-001
Leonard Street and Boomerang Street Cessnock Pedestrian Refuge	CRL-2017-002
Congewai Street and Quorrobolong Street Aberdare Pedestrian Refuge	CRL-2017-003
Mavis Street and Lindsay Street Cessnock Traffic Island	CRL-2017-004
Gordon Avenue and Quorrobolong Street Cessnock Pedestrian Refuge	CRL-2017-005
Gallagher Street Cessnock Turning Head	CRL-2017-006
Dalwood Road East Branxton Parking Improvements	CPW-2015-006
<i>Funding Source: General Fund</i>	\$185,000

REGIONAL ROAD CONSTRUCTION PROGRAM		2016-17
PROJECT NAME		<i>Project No.</i>
Great North Road (Lemming Corner) Laguna Stage 2 Construction		CRR-2016-001
<i>Funding Source: RMS Grant</i>		\$795,000
REGIONAL ROAD RENEWAL PROGRAM		2016-17
PROJECT NAME		<i>Project No.</i>
Regional Road Resurfacing Program		RRR-2017-001
Regional Road Special Rate Variation Resurfacing Program		RRR-2017-003
Wollombi Road Millfield Rehabilitation Stage 3		RRR-2017-002
<i>Funding Source: Block Grant, Repair Program, Special Rate Variation, General Fund</i>		\$1,528,000
VINEYARDS ROAD CONSTRUCTION PROGRAM		2016-17
PROJECT NAME		<i>Project No.</i>
Hermitage Road Pokolbin Reconstruction and Widening Stage 1 (construction)		CRV-2016-002
Way finding and signage		CRV-2016-003
<i>Funding Source: Part of the \$8.6m Resources for Region Grant</i>		\$3,920,000
PATHWAYS CONSTRUCTION PROGRAM		2016-17
PROJECT NAME		<i>Project No.</i>
Paxton Public School, Anderson Avenue Paxton		CPW-2017-003
O'Shea Circuit Cessnock		CPW-2017-004
Allworth Street Kurri Kurri		CPW-2017-005
Ferguson Street Cessnock		CPW-2017-006
Hay Street Abermain		CPW-2017-007
Gordon Ave Cessnock		CPW-2017-008
<i>Funding Source: General Fund</i>		\$255,000
BRIDGES CONSTRUCTION PROGRAM		2016-17
PROJECT NAME		<i>Project No.</i>
Paynes Crossing Bridge Replacement - Investigation and Design (funding dependent)		CBS-2017-006
Frame Drive Bridge Abermain Replacement		CBS-2016-006
Fosters Bridge Mount Vincent Replacement - Investigation and Design		CBS-2016-001
Sawpit Road Causeway Cedar Creek - Investigation and Design		CBS-2017-017
Milsons Arm Bridge Laguna - Refurbish/Replacement		CBS-2017-007
Anvil Creek Bridge Greta - Investigation and Design (Stage 1)		CBS-2017-005
Gillies Bridge Rothbury - Investigation and Design (Stage 1)		CBS-2017-008
Dixon Street Bridge Cessnock - Refurbish		CBS-2017-009
McFarlane Street Bridge Cessnock - Refurbish		CBS-2017-010
Stockyard Creek Bridge Paynes Crossing - Refurbish		CBS-2017-011
Neath Road Neath - Culvert Replacement		CBS-2017-012
Watagan Creek #1 Bridge Laguna - Investigation and Design Refurbishment		CBS-2017-013
Colliery Street Aberdare - Replacement Investigation and Design		CBS-2017-014
Galloway Street Kurri Kurri - Culvert Replacement		CBS-2017-015
Burgesses Bridge Congewai - Refurbishment		CBS-2017-016
<i>Funding Source: Financial Assistance Grant, General Fund, Roads to Recovery, Bridges Renewal Program</i>		\$4,302,500

FLOODPLAIN MANAGEMENT PROGRAM		2016-17
PROJECT NAME		Project No.
Cessnock Flood Risk Management Plan Priority Recommendations - South Cessnock Investigation (Grant Funding dependent)		PMF-2017-003
Cessnock Flood Risk Management Plan Priority Recommendations - Voluntary House Raising Scheme (Grant Funding dependent)		PMF-2017-005
Swamp Creek Risk Management Plan Priority Recommendations - Abermain and Weston Investigation (Grant Funding dependent)		PMF-2017-004
Swamp Creek Risk Management Plan Priority Recommendations - Voluntary House Raising Scheme (Grant Funding dependent)		PMF-2017-006
Wollombi Flood Risk Management Plan Priority Recommendations - Wollombi Flood Warning System Investigation (Grant Funding dependent)		PMF-2017-002
Greta/Anvil Creek Flood Study (Grant Funding dependent)		PMF-2017-007
<i>Funding Source: OEH Grant, General Fund</i>		\$334,377
DRAINAGE CONSTRUCTION PROGRAM		2016-17
PROJECT NAME		Project No.
Whitburn Estate Greta - Trunk Drainage (Stage 2)		CDR-2017-002
Thomas Street North Rothbury - Drainage		CDR-2017-003
Ridley Street Abermain - Investigation and Design Drainage		CDR-2017-004
Oliver Street South Cessnock - Investigation (Stage 1)		CDR-2017-005
Railway Street Branxton - Investigation and Design (Stage 1)		CDR-2017-006
Miscellaneous Drainage Projects		CDR-2017-007
Buchanan Road Buchanan - Culvert		CDR-2016-008
Hillview Road East Branxton - Culvert		CDR-2016-006
Wine Country Drive Nulkaba - Kerb and Gutter		CDR-2017-008
Cooper Street Heddon Greta - Investigation (Stage 1)		CDR-2016-003
Anvil Street Greta - Investigation (Stage 1)		CDR-2016-004
Heddon Street Kurri Kurri - Investigation (Stage 1)		CDR-2016-005
<i>Funding Source: Drainage Loan, Stormwater Management Income</i>		\$2,132,500
RECREATION FACILITIES RENEWAL PROGRAM		2016-17
PROJECT NAME		Project No.
Kitchener Poppethead Park - Walkway Renewal		RFR-2017-004
Kurri Kurri Tennis Courts - Retaining Wall Renewal		RFR-2017-005
Norman Brown Memorial Park (Greta) - Softfall Replacement		RFR-2017-006
North Rothbury Multi-Purpose Court - Multi-Purpose Court Renewal		RFR-2017-007
Parks and Reserves Asset Renewal Program		RFR-2017-008
Playground Edging Program		RFR-2017-002
Veterans Memorial Park (Aberdare) - Footpath Renewal		RFR-2017-009
<i>Funding Source: General Fund</i>		\$158,300
CESSNOCK CIVIC PRECINCT REVITALISATION PROGRAM		2016-17
PROJECT NAME		Project No.
Bridges Hill Park - Playground Renewal		RCC-2017-001
Pathway Renewal and Access Improvements from CBD to Bridges Hill		RCC-2017-002
CBD Wayfinding Signage		RCC-2017-003
<i>Funding Source: Grants, S.94 Contributions, General Fund</i>		\$360,000

RECREATION FACILITIES CONSTRUCTION PROGRAM	2016-17
PROJECT NAME	Project No.
Baddely Park Cessnock - Floodlighting and Power Upgrade (Grant Funding dependent)	CFR-2017-004
Centenary Park (Abermain) - Pathway Extension (Stage 1)	CFR-2017-001
Cessnock Civic Park - Installation of Fencing	CFR-2017-007
Kurri Kurri Central Park - RV Area (Stage 3)	CFR-2017-008
Mt View Park - Floodlight Pole Installation	CFR-2017-010
Mulbring Park - New Shelter and Picnic Setting	CFR-2017-011
Peace Park (Weston) - Installation of BBQ	CFR-2017-003
Turner Park (Aberdare) - Fencing (Stage 1)	CFR-2017-013
<i>Funding Source: Grants, S.94 Contributions, General Fund</i>	\$110,000
RECREATION BUILDINGS RENEWAL PROGRAM	2016-17
PROJECT NAME	Project No.
Cessnock Civic Indoor Sports Centre - External Painting	RBR-2017-006
Kurri Kurri Sportsground - Upgrade Ticket Booth	RBR-2017-007
Mulbring Park - Grandstand Upgrade Stage 1	RBR-2017-008
Stanford Merthyr Pony Ground - Facility renewal including new roof	RBR-2017-009
<i>Funding Source: General Fund</i>	\$131,400
COMMUNITY BUILDINGS RENEWAL PROGRAM	2016-17
PROJECT NAME	Project No.
Greta Pre School - Roof and Gutter Replacement	CBC-2017-002
Kurri Kurri Ambulance Hall - Toilet Refurbishment - Stage 1	CBC-2017-003
Laguna Community Hall - Formalise Access/Seal Road	CBC-2017-004
Kurri Kurri Senior Citizens Hall - Pathway Renewal	CBC-2017-005
<i>Funding Source: General Fund</i>	\$95,000
POOL FACILITIES RENEWAL PROGRAM	2016-17
PROJECT NAME	Project No.
Branxton Pool - Facilities Renewal	RFP-2017-001
Cessnock Pool - Facilities Renewal	RFP-2017-002
Kurri Kurri Aquatic Centre - Facilities Renewal	RFP-2017-003
<i>Funding Source: General Fund</i>	\$236,000
CEMETERIES FACILITIES CONSTRUCTION PROGRAM	2016-17
PROJECT NAME	Project No.
Gordon Williams Memorial Lawn Cemetery - Stage 1 Implementation of Masterplan	CFC-2017-002
<i>Funding Source: Cemeteries Reserve</i>	\$40,000
TOTAL CAPITAL WORKS BUDGET	\$18,302,285
Overhead Component	\$1,481,200
TOTAL PROGRAMS	\$16,821,085

Assumptions

1. Overhead component is the amount recovered for design and works delivery.
2. These assumptions are consistent with the long term financial plan and asset management plans.



Revenue Policy

Revenue Policy

A. RATING

The amount that is to be raised from rating is calculated to comply with legislative requirements and rate-pegging limitations.

Together with other sources of income, rating income is used to fund Council's expenditure to implement the programs and levels of service that will, in turn, realise the community's desired outcomes in *Cessnock 2023*.

Rate Pegging

In December 2015 the Independent Pricing & Regulatory Tribunal (IPART) determined a rate peg of 1.8% for 2016-17.

Methodology

For 2016-17 Council continues to use a rating methodology comprising a base amount plus an ad valorem amount (land value multiplied by a rate in the \$).

The land valuations used to calculate rates for 2016-17 are supplied by the Valuer General and have a base date of 1 July 2015.

Interest on Overdue Rates

In accordance with Section 566 of the Local Government Act 1993, Council proposes to charge interest on overdue rates and charges for 2016-17 at a simple rate of 8.0% calculated daily (or as notified by the OLG).

Categorisation of Land

Council has determined that the rates will be applied across eight categories:

- residential
- rural residential
- business
- farmland
- farmland – low intensity
- farmland – mixed use
- farmland – business rural
- mining

CATEGORY	REFERENCE	DEFINITION
RESIDENTIAL	Section 516 Local Government Act 1993	<p>Land is categorised as residential if it is a parcel of rateable land valued as one assessment and:-</p> <ul style="list-style-type: none"> • Its main use is for residential accommodation (but not as a hotel, motel, guesthouse, boarding house, lodging house, or nursing home). • It is vacant land zoned for residential purposes. • It is rural residential land. Rural residential land is defined as being <ol style="list-style-type: none"> a) land that is the site of a dwelling, and b) is not less than 2 hectares and not more than 40 hectares in area, and is either: <ol style="list-style-type: none"> i) not zoned or otherwise designated for use under an environmental planning instrument, or ii) zoned or otherwise designated for use under such an instrument for non-urban purposes, and c) does not have significant and substantial commercial purpose or character.

Revenue Policy

CATEGORY	REFERENCE	DEFINITION
RURAL RESIDENTIAL	Section 516 Local Government Act 1993	A sub-category of residential for rural residential land where there is a residential dwelling and the land area is between 2 and 40 hectares.
BUSINESS	Section 518 Local Government Act 1993	Land is categorised as business if it cannot be categorised as farmland, residential or mining. The main land uses in the business category are commercial and industrial.
FARMLAND	Section 515 Local Government Act 1993	Land is categorised as farmland if it is a parcel of rateable land valued as one assessment and its dominant use is for farming (that is the business or industry of grazing, animal feedlots, dairying, pig farming, poultry farming, viticulture, orcharding, beekeeping, horticulture, vegetable growing, forestry, oyster or fish farming, or growing crops for profit) and:- <ul style="list-style-type: none"> • has a significant and substantial commercial purpose or character, and • is engaged in for the purpose of profit on a continuous or repetitive basis. Rural residential land can not be categorised as farmland.
FARMLAND – LOW INTENSITY	Section 515 Local Government Act 1993	A sub-category of farmland for land which meets the farmland criteria under Section 515 with a lower intensity of land utilisation.
FARMLAND – MIXED USE	Section 515 Local Government Act 1993	A sub-category of farmland with both rural and business use.
FARMLAND – BUSINESS RURAL	Section 515 Local Government Act 1993	A sub-category of farmland which has a low intensity of land utilisation with predominantly business activity.
MINING	Section 517 Local Government Act 1993	Land is categorised as mining (Section 517) if it is a parcel of rateable land valued as one assessment and its dominant use is for a coal or metalliferous mine.

Revenue Policy

Statement of Rates Proposed to be Levied - Section 405(2) Local Government Act 1993

Rates are assessed by levies on the value of land. Land values are determined by the Valuer General. Increases in rates are in line with the rate peg determined by the Independent Pricing Regulatory Tribunal (IPART). The rating structure for 2016-17 is shown in the table below.

Rating Structure

Council will increase rates by 1.8% in 2016-17 in line with the IPART determination of the rate peg.

The following table shows the ad valorem and base rate amounts for 2016-17, based on the approved general increase of 1.8%.

RATE TYPE	CATEGORY	SUB-CATEGORY	AD VALOREM AMOUNT IN CENTS IN \$	BASE AMOUNT \$	BASE AMOUNT % OF TOTAL RATE	RATE YIELD \$
Ordinary	Residential		0.470522	430.00	63.78%	22,158,200
Ordinary	Residential	Rural	0.438990	430.00	9.19%	3,194,300
Ordinary	Farmland		0.373775	430.00	6.35%	2,207,200
Ordinary	Farmland	Mixed Use	0.911748	535.00	0.56%	193,900
Ordinary	Farmland	Low Intensity	0.429104	430.00	1.46%	506,700
Ordinary	Farmland	Business Rural	0.911748	535.00	0.61%	213,600
Ordinary	Business		1.860313	535.00	15.03%	5,220,600
Ordinary	Mining		4.371628	1,500.00	3.01%	1,046,300
		TOTAL				34,740,800

B. CHARGES

Waste Charges

Weekly services for kerbside collection of mixed solid waste and alternate fortnightly collections for recyclable waste are provided by Council to residential and non-residential properties in the Cessnock local government area.

Where new services are commenced throughout the year; charges are calculated as a proportion of the annual charge.

Under Section 496 of the Act, Council is required to levy a charge on all rateable land that is situated

within the area in which a domestic waste management service is available, whether occupied land or vacant land.

The Local Government Act, 1993 Section 504(1) provides:

- A council must not apply income from an ordinary rate towards the cost of providing domestic waste management services.
- Income to be applied by a council towards the cost of providing domestic waste management services must be obtained from the making and levying of a charge.

- Income obtained from charges for domestic waste management must be calculated so as to not exceed the reasonable cost to the Council of providing those services.

Sections 501 and 502 permits a council to make and levy an annual charge for the following services provided on an annual basis:

- Waste management services (other than domestic waste management)
- Any services prescribed by the Regulations.

Revenue Policy

Domestic Waste Service Charge – Vacant

Under the provisions of Section 496 of the Local Government Act 1993, vacant rateable land categorised for rating purposes as residential or farmland and situated within an area in which a domestic waste management service is able to be provided is to be charged a domestic waste management service charge – vacant.

Domestic Waste Service Charge

Under the provisions of Section 496 of the Local Government Act 1993, rateable land categorised for rating purposes as residential or farmland and located in an area in which the service is provided is to be charged a domestic waste management service charge.

This service entitles the property to a single weekly collection of mixed waste, using an approved mobile container as provided by Council and a single fortnightly collection of recyclable material using an approved mobile container as provided by Council.

For 2016-17 each service includes the issue of four (4) waste depot passes to be used at the Cessnock Waste & Reuse Centre. Each pass allows free disposal of up to 500

kilograms of domestic or general household waste. If the quantity of waste exceeds 500 kilograms per disposal, additional issued passes may be used, or a fee will apply. Waste is to be transported in passenger vehicles, utilities or small trailers only.

Additional Domestic Waste Service Charge

Under the provisions of Section 496 of the Local Government Act 1993, further to the domestic waste management service charge, an additional domestic waste management service charge applies to each additional weekly collection of mixed waste, using an approved mobile container as provided by Council.

Additional Domestic Waste Service Charge - Recycling

Under the provisions of Section 496 of the Local Government Act 1993, further to the domestic waste management service charge, an additional domestic waste management service charge – recycling applies to each additional fortnightly collection of recyclable waste, using an approved mobile container as provided by Council.

Waste Management Service Charge

Under the provisions of Section 501 of the Local Government Act 1993,

a waste management service charge applies to each parcel of land not categorised for rating purposes as residential or farmland to which the service is provided.

This service entitles the property to a single weekly collection of mixed waste, using an approved mobile container as provided by Council and a single fortnightly collection of recyclable material using an approved mobile container as provided by Council.

Additional Waste Management Service Charge

Under the provisions of Section 501 of the Local Government Act 1993, further to the waste management service charge, an additional waste management service charge applies to each additional weekly collection of mixed waste, using an approved mobile container as provided by Council.

Additional Waste Management Service Charge – Recycling

Under the provisions of Section 501 of the Local Government Act 1993, further to the waste management service charge, an additional waste management service charge – recycling applies to each additional service of recyclable waste, using an approved mobile container as provided by Council.

Revenue Policy

Stormwater Charges

Under the provisions of Section 496A of the Local Government Act 1993, Council may make and levy an annual charge for the provision of stormwater management services for each parcel of rateable land for which the service is available. A stormwater service is a service to manage the quantity or quality, or both, of stormwater that flows off land, and includes a service to manage the re-use of stormwater for any purpose.

In line with the Stormwater Management Guidelines, Council proposes to levy a charge

calculated at \$25.00 per 350 square metres (or part thereof) up to a maximum charge of \$500.00 on business properties located within the defined stormwater area. Residential properties within the defined stormwater area will continue to be charged at the fixed charge of \$25.00 per property in line with the Stormwater Management Guidelines. Residential strata properties will be charged a fixed charge of \$12.50 per property in line with the Stormwater Management Guidelines.

Hunter Catchment Contribution

Council includes on its rate notice a catchment contribution collected on behalf of Hunter Local Land Services.

Catchment contributions are collected under *Clause 40, Part 4, of the Local Land Services Regulation 2014*, with the Local Land Services setting the rate in the dollar each year.

The rate applicable to all land within the defined catchment area is estimated to be 0.0109 of a cent in the dollar on the current value of land within the area. The rate approved by the Minister for 2016-17 will be levied by Council.

Statement of Charges Proposed to be Levied - Section 405(2) Local Government Act 1993

The proposed charges for 2016-17 are:-

CHARGE	2016-17
Domestic Waste Management Service Charge – Vacant	\$65.00
Domestic Waste Management Service Charge	\$540.00
Additional Domestic Waste Management Service Charge	\$540.00
Additional Domestic Waste Management Service Charge – Recycling	\$53.00
Waste Management Service Charge (including GST)	\$727.00
Additional Waste Management Service Charge (including GST)	\$727.00
Additional Waste Management Service Charge – Recycling	\$53.00
Stormwater Management Service Charge – Residential	\$25.00
Stormwater Management Service Charge – Residential Strata	\$12.50
Stormwater Management Service Charge – Business	\$25.00 per 350m ² or part thereof up to max. \$500

Revenue Policy

C. STATEMENT OF PROPOSED BORROWINGS

Council borrows funds each year to provide long-term assets and facilities that are unable to be funded out of recurrent revenues.

Council invites quotes for the

provision of loan funds from lending institutions. All loans are secured by a mortgage deed taken over Council's general revenue and are normally taken over a ten-year period or for the economic life of the asset acquired, whichever is the shorter.

In 2016-17 Council proposes to borrow \$500,000 for the continuation of the drainage improvement program, and up to \$2.0m for the Federal Government's timber bridge replacement program (timing to be confirmed once the project agreements are signed).

D. FEES & CHARGES

Council provides a wide range of services to the community and has adopted a number of fees and charges. Each charge or fee is reviewed annually and determined on the basis of one or more of the following criteria:-

A	<i>Nil Cost Recovery</i> - There is no charge for these types of items. All costs associated with this item are met from either general revenues, grants, contributions or various combinations of same.
B	<i>Minimal Cost Recovery</i> - The price for these is set to meet a small contribution towards the cost of the item. The majority of the cost of this item is met from either general revenues, grants, contributions or various combinations of same.
C	<i>Majority Cost Recovery</i> - The price for these items is set to make a substantial contribution towards the cost of the service.
D	<i>Full Operating Cost Recovery</i> - The price for these items have been set to cover the operating cost of providing the item.
E	<i>Full Cost and Partial Capital Cost Recovery</i> - The price of these items is set to recover annual operating costs and make a contribution to the cost of replacement of the infrastructure assets utilised in providing the item.
F	<i>Regulatory Fees</i> - the price charged for these items is a statutory charge set by legislation.
G	<i>Market Competitive</i> - a) the service provided is in competition with that provided by another Council or agency (private or public) and there is pressure to set a price which will attract adequate usage of the service; and/or b) the service is a profit making activity and the price paid by users should recover an amount greater than the full cost of providing that service.

Goods and Services Tax (GST)

Council applies various fees, charges and fines. The GST status of these will depend on whether there is consideration for a supply.

Where previously some fees and charges have been exempt from GST in accordance with the Federal Treasurer's Determination under Section 81-5 of the New Tax System (GST) Act 1999; from 1 July 2012 these fees and charges have been assessed under the principles based regime to determine if their GST exemption status remains.

Fees and charges subject to GST are identified by a "Yes" in the GST column of the 2016-17 Schedule of Fees and Charges.

A copy of Council's adopted Schedule of Fees and Charges is available for information at Council's Administration Centre or at Council's website www.cessnock.nsw.gov.au.

Glossary

Community Strategic Plan – The community’s vision for the future of the local government area. This document has a ten-year timeframe. The original plan (*Cessnock 2020*) was adopted in October 2010. The current plan (*Cessnock 2023*) was adopted in June 2013.

Comprises:

- 1 x community vision – an overarching statement of what the community desires for the local government area.
- 5 x desired outcomes – the community has articulated the results that it would like to see for the local government area grouped into five major themes (of community, economy, environment, infrastructure and governance).
- 16 x objectives – the community has identified 3-4 ambitions under each of the desired outcomes.
- 42 x strategic directions – the community has articulated the course in which it wishes to head in order to achieve its desired outcomes. The strategic directions start with the word “Our” or “We” to demonstrate their inclusiveness – i.e. we are all a part of this.
- Community Strategic Plan measures – These measures relate to the local government area (and not the organisation).

For example: Index of Socio-Economic Advantage, education levels, etc.

This section will include a description of the measure, some context/background, the base line (i.e. what the measure is now) and the direction that is being targeted (i.e. where we want the measure to be in ten

years’ time). These measures will be used to assess progress in implementing the Community Strategic Plan.

Delivery Program – The Delivery Program is Cessnock City Council’s contribution to the achievement of the Community Strategic Plan. Note that Council is one of many who will contribute towards the community’s vision (others include: individuals, community groups, businesses, industry groups, not-for-profit groups, state & federal government and government agencies, etc.).

The Delivery Program has a four year timeframe – in line with the term of the elected Council. (A council is elected in September and must adopt a 4-year Delivery Program by the following June).

Comprises:

- Deliverables – These describe the programs, projects and services that Council will provide (during the term of the elected Council). The Deliverables start with a verb (e.g. “Commence”, “Complete”, “Provide”, etc.) and progress against Deliverables is reported on quarterly to Council.
Deliverables are linked to the 16 Community Strategic Plan objectives or other statutory requirements that may not be included in the Community Strategic Plan.
- Delivery Program measures - These measures relate to the organisation and its outputs (as distinct with the Community Strategic Plan measures which relate to the local government area). For example: Length of cycleway constructed, Responsiveness to Customer Requests, etc.

This section includes a description of the measure, some context/background, the base line (i.e. what the measure is now) and the target (i.e. where we want the measure to be in four years’ time).

Operational Plan – The Operational Plan is the one-year slice of the four-year Delivery Program.

Comprises:

- Initiatives – A task associated with a Delivery Program deliverable.
- Responsibilities – The section of Council responsible for implementing the initiative.

Resourcing Strategy (4-10 year timeframe)

Comprises:

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

Details the resources required to implement the Delivery Program.

Revenue Policy – Details how Council proposes to raise revenue – including the rating structure (base amount and cents in the dollar etc.), waste management charges, proposed borrowings and how it calculates fees and charges (e.g. nominal contribution, cost recovery, profit-making, etc.)

Fees and charges – Details of the fees and charges to be levied by Council during the financial year.

Budgets – Details of Council’s proposed income and expenditure, and forecast financial statements.

Capital works program – Details of the new assets to be constructed and the existing assets to be upgraded or renewed.