

Independent Review City of Newcastle

April 2025

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About the reviewers

Davidson has been enhancing workplace performance for over 30 years. As a trusted advisor, we have developed Business Advisory and Technology Consulting services to support clients with holistic workforce improvement. Our team comprises over 180 professionals, with a national presence across Queensland, Victoria, South Australia, New South Wales, the Northern Territory, and the Australian Capital Territory. We provide advisory services that enhance workplaces in all major sectors, focusing on strategy and planning, operations improvement, workforce planning and organisation design, and customer and people experience.



Colin Jensen

As the former CEO of the City of Brisbane for 13 years, Colin is an experienced CEO, Leader and Director with a demonstrated history of working in the infrastructure, resources, technology, water, transport, environmental services and government sectors. Skilled in Leadership, Executive Management, Negotiations, Finance, Transport, Strategy, Policy, and Infrastructure. Widely recognised leader and a Chief Executive and Director for over fifteen years.



Justin Hanney

Justin Hanney is an experienced public sector executive with an extensive background across Local, State and the Commonwealth government. Justin served as CEO of

the City of Melbourne (2019–2022). Prior to this, he held executive roles in the Victorian Government including Deputy Secretary Premier and Cabinet, Head of the Employment, Investment, and Trade and CEO of Statutory body, Regional Development Victoria. Justin was also CEO at the City of Yarra and the Rural City of Wangaratta and Director of Planning at the City of Greater Bendigo.



Aleksandra Ferguson

Aleksandra is a transformation and major projects executive with almost 20 years of experience leading complex, multi-agency initiatives and driving organisational reform across local, state, and federal government levels. With a broad background across portfolio and program management, PMO, operating models, and strategy, she has led digital, operational, and regulatory transformations. Aleksandra's expertise extends to building strong governance frameworks across major projects to ensure effective decision-making, transparency, and accountability, aligning projects with organisational objectives and stakeholder expectations.



Annabel Miley

Annabel is a Senior Consultant in Davidson's Advisory team, specialising in strategic consultation, organisational transformation, and functional service reviews within the Local Government sector. She holds a Bachelor of Business Management and has led key initiatives aimed at strengthening governance, improving operational efficiency, and enhancing service delivery.

Her experience includes conducting governance assessments, organisational structure and performance reviews, and financial performance evaluations to support councils in optimising their operations.

Introduction

The City of Newcastle is committed to being a liveable, sustainable, and inclusive global city. Established in April 1938 through the merger of 11 local councils: Adamstown, Carrington, Hamilton, Lambton, Merewether, Newcastle, New Lambton, Stockton, Wallsend, Waratah, and Wickham, the city has since grown to become the second-largest local government area in New South Wales outside Greater Sydney. With a population expected to surpass 202,000 residents by 2041, the City of Newcastle is poised for continued growth, alongside an increasing demand for services, infrastructure, and governance.

In its pursuit of continued growth, the City of Newcastle is committed to ensuring its governance structures, decision-making processes, and operational practices effectively support its strategic objectives. A central pillar of this commitment is a robust governance framework, which is reinforced by various advisory and regulatory bodies overseeing the City's operations.

At a Council meeting held on 10 December 2024, Council unanimously agreed to conduct an independent review of the City of Newcastle and its operations.

The independent review is aimed at ensuring the continued public trust in City of Newcastle's governance framework, without any intent to restructure or reduce Council operations. Instead, the review seeks to provide an impartial evaluation of current practices and identify opportunities for improvement. Oversight for the review was delegated to the Audit and Risk Improvement Committee (ARIC),

ARIC plays a key role in upholding the City's dedication to transparency, accountability, and continuous improvement. As an independent advisory committee, ARIC oversees governance, risk management, and internal control processes within the City of Newcastle. By reviewing audit reports, compliance matters, and risk mitigation strategies, ARIC offers critical recommendations that guide decision-making, ensuring the City of Newcastle meets its legislative obligations while aligning with best practices in financial and operational management.

This review, endorsed and supported by ARIC, focuses on assessing the City of Newcastle's current practices, identifying areas for improvement, and providing recommendations to strengthen the City of Newcastle.

Terms of Reference

The independent review is focused on providing assurance regarding City of Newcastle's performance, compliance, and transparency. The review was determined by Council to assess City of Newcastle's operations across six key themes:

- **General Governance** – Evaluation of the adequacy of governance processes.
- **Financial Governance** – Assessment of financial governance structures and controls.
- **Compliance** – Review of adherence to key regulatory requirements.
- **Engagement** – Examination of community engagement processes.
- **Major Projects** – Evaluation of governance and oversight of major projects.
- **Organisational Culture** – Assessment of tools and reports related to workplace culture.
 - The Audit and Risk Improvement Committee (ARIC) has been closely involved in providing direction and oversight of requirements. Following a presentation and discussion with ARIC and based on the number of submissions lodged relating to Organisation Culture, this topic was included/added to the terms of reference.

Executive Summary

Overall, the review found the City of Newcastle to be a well-managed and high-performing organisation, with numerous examples of best practice highlighted throughout this report.

There were no matters identified that reflect fraud or corruption. There were no identified breaches of legislation nor maladministration and the report does not identify any non-compliance or serious / systemic issues.

As with all forward-looking organisations, there are opportunities for further improvement in several areas, which are outlined in the review and present valuable avenues for continued growth and excellence.

This report presents the findings of the independent review, discussing the six categories of the Terms of Reference: general governance, financial governance, compliance, major projects, engagement and organisational culture.

It offers actionable recommendations designed to enhance City of Newcastle's processes, ensure the organisation operates with the highest standards of transparency and accountability, and reinforce public trust in its ability to serve the community effectively.

It is important to state from the outset that this engagement was not to undertake an investigation nor was it to perform an internal audit of the City of Newcastle.

It is also important to clarify that the review is not intended to restructure or reduce Council operations, nor is it undertaken with political motivations. Instead, it seeks to offer an impartial evaluation of City of Newcastle's operations, aiming to enhance performance and maintain the highest standards of public service.

This governance review and report therefore reflects the observations, findings and recommendations of the independent reviewers against the terms of reference as set out by the City of Newcastle.

In undertaking the independent review, a number of key themes as well as findings and recommendations have been made. These have been identified following a rigorous process which considered and assessed:

- more than 800 public submissions and associated attachments,
- Approximately 260 internal documents to the City of Newcastle (strategies, plans, budgets, policy, reviews, internal audits, procedures, media clips, council reports etc).
- 27 one-on-one consultations with internal City of Newcastle's corporate staff, the Lord Mayor and Councillors.
- 3 one-on-one consultations with independent members of City of Newcastle's Risk and Audit Committee and three presentations to the ARIC committee.
- 7 interviews with community members to further discuss their responses to the public submission process.

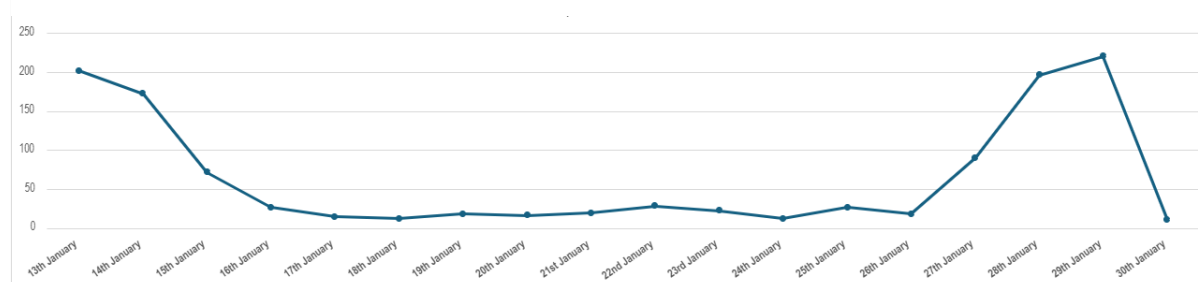
Whilst every submission and document was read and considered by the reviewers, some submitters may question 'where is the specific matter that they raised?' Not every issue raised appears in this report.

Many submissions reflected important issues for the individuals who raised/submitted them however the majority fell outside the scope of this review. The submissions and the issues contained within them are however good community feedback for council officers to consider. For example, some submissions raised concerns about local service delivery such as grass cutting, waste collection and graffiti management. To ensure confidentiality, submissions relating to operational matters will be de-identified before being shared with council officers for their consideration and any appropriate action.

Where multiple submissions appeared on the one topic, even if there was no adverse finding nor recommendation, commentary has been provided for awareness raising and hopefully closure of the matter raised.

Importantly, the process for assessing a matter or issue (regardless as to whether it originated via a community submission, an interview or it was identified in a sourced document) was to assess the matter against adopted policy, process and procedures and to identify where there was evidence of best practice and /or opportunities for better practice.

Figure 1 Timeline of Community Responses received. The survey was opened on the 13th of January and closed on the 30th of January.



Many submissions expressed concerns about council decisions. A review of these decisions found that they were made in accordance with established processes and procedures, including delegated approval authorities, council-adopted policies such as procurement and delegations, and relevant State Government Acts and regulations. No instances were identified where decisions fell outside these regulatory or approved frameworks. While some community members may disagree with certain council decisions, including how individual councillors vote on matters, this reflects the democratic process rather than governance failures or misconduct. However, the findings highlight opportunities for improved communication, greater transparency, and enhanced community engagement to support broader understanding of council decisions.

Several submissions focussed specifically on the CEO Jeremy Bath. In numerous instances commentary in submissions referred to decisions that espoused were made by the CEO and when reviewed were in fact decisions made prior to his appointment (i.e. Newcastle 500) or were decisions made by Councillors (i.e. Council) or State government.

A total of 29 submissions raised concerns about a perceived lack of respect among Councillors, including towards the current Lord Mayor. More broadly, Councillor behaviour and the conduct of Council meetings were highlighted in just under four per cent of submissions. While Council meetings naturally involve political debate, some submissions expressed concerns that this was hindering constructive discussion and decision-making.

Mr Stephen Coates the independent chair the City of Newcastle's Audit and risk and Improvement committee (ARIC) for the previous three years, when interviewed, was asked to comment as to the performance and professionalism he has experienced at the City of Newcastle. Mr Coates described the City of Newcastle as being in the best one or two Local Governments he has worked with noting he has sat on circa twenty local government risk and audit committees and was a professional auditor (Partner) with EY.

The lead reviewers, both experienced local government CEO's and state government department heads, would concur with Mr Coates' observations.

The review has put forward 23 recommendations including 3 items for noting, with indicative implementation timeline and responsibilities outlined in Table 1 of the Appendix. Delivery against the recommended implementation plan would have all improvements completed within 18-months and it thus further recommends a report back to Council be made at that time to acquit all aspects of the review.

The recommendations should be carefully considered, with management providing advice to Council on their implementation. The reviewers acknowledge that there may be alternative or more suitable approaches to addressing some of the findings, and that certain recommendations may have resource implications that Council will need to consider.

It should be noted that all references to the community relate to the submissions made by the community as part of this review and whilst there are a good number of submissions this reflects less than 0.4% of the City of Newcastle population

Review Process

The review was conducted in four phases:

1. **Phase 1 (December 2024 – January 2025):**
 - Requested and reviewed existing documentation, policies, procedures, and strategic plans.
 - Invited community submissions and feedback.
2. **Phase 2 (Late January 2025 – February 2025):**
 - Analysed collected documentation and public submissions.
 - Conducted targeted consultations with key stakeholders and relevant personnel.
3. **Phase 3 (March 2025):**
 - Developed a comprehensive report evaluating City of Newcastle's performance across the six themes.
 - Provided recommendations for improvement.
4. **Phase 4 (April /May 2025): (In Progress)**
 - Present the draft report to ARIC for review and feedback.
 - Present report to Lord Mayor and CEO
 - Present report to Council



Davidson reviewed over **260** supporting documents by the City of Newcastle

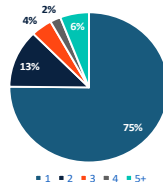


27 City of Newcastle internal stakeholders consultation sessions.
3 one-on-one consultations with ARIC committee members.
7 one-on-one interviews with the public.


800
 Total Survey Responses

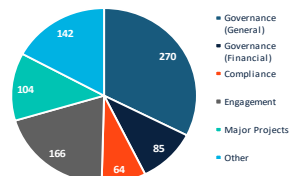
548
 Unique individuals responded

No. submissions submitted by respondents



728
 Open text responses
143
 Uploaded supporting documents from respondents

No. responses per topic



Review Themes

The independent review has identified four key themes emerging consistently across all Terms of Reference categories. These themes reflect areas where the community has expressed a desire for greater clarity, engagement, and alignment with community expectations. The findings highlight opportunities for Council and the executive to enhance transparency, build public trust, and ensure services effectively meet community needs and should be a lens applied when making decisions as well as when delivering projects and initiatives going forward.

1 | Transparency

Community feedback indicates a desire for greater transparency regarding how council decisions are made and how public funds are allocated. Residents have requested clearer reporting on major project expenditures, operational costs, and overall council performance. Ensuring information is easily accessible and understandable will be an important step in reinforcing public confidence in the council's governance.

2 | Communication

Many submissions highlighted the need for more consistent communication, particularly regarding capital works projects and any changes that occur. While significant information is available through the City of Newcastle's website and publicly accessible reports, such as the annual report, submissions indicated a desire for improved accessibility and more proactive engagement. Strengthening communication practices presents an opportunity to enhance community and stakeholder relationships and further build public trust in Council's activities.

3 | Community Trust

While the Council follows established processes, some residents believe there are opportunities to further strengthen trust between the Council and the community. There is a perception that decisions are not always clearly communicated, leading to uncertainty about how community needs are considered. Enhanced openness, proactive communication, and ongoing opportunities for dialogue could help build stronger relationships and foster greater confidence in the Council's actions.

4 | Service Delivery

Many residents appreciate the Council's focus on future development while also emphasising the importance of maintaining existing infrastructure. Feedback suggests a need for a continued focus on the upkeep of roads, parks, sports fields, and footpaths, alongside investment in new projects. Ensuring core services continue to meet community expectations is viewed as essential for maintaining a high standard of living in the area.

Governance General

Introduction

General governance was a key area of interest for both internal stakeholders and the community throughout this review. More than 270 survey responses were submitted under the general governance category, providing valuable insights into community concerns and expectations.

These responses covered a broad range of issues, with a strong focus on councillor meeting procedures, correspondence with the media, transparency in decision-making, and Government Information Public Access (GIPA) processes. Many respondents sought greater clarity on how decisions are made, calling for more accessible and detailed information on the rationale behind Council resolutions. There were also concerns regarding meeting procedures, with submissions highlighting the need for more structured discussions and clearer communication about councillor voting decisions.

Effective governance is critical to ensuring accountability, transparency, and the delivery of services that align with community expectations. Strong governance frameworks foster public trust and confidence by establishing clear processes for decision-making and resource management.

Transparency emerged as a dominant theme, with many respondents advocating for greater openness in decision-making, particularly regarding how public input is considered and incorporated into final outcomes. Concerns were also raised about the accessibility of Council records and documents, with strong demand for improvements to GIPA processes to ensure timely and effective public access to information.

Overall, the feedback underscores a clear expectation for governance practices that are transparent, accountable, and responsive to community needs. Strengthening these practices will enhance public confidence, encourage civic engagement, and support informed decision-making that reflects the interests of the Newcastle community.

Council Meetings

The independent review found Council meetings generally follow the NSW Government's meeting framework which is prescribed under the Local Government Act 1993 (the Act) and the Local Government (General) Regulation 2021 (the Regulation) which ensures councillors are provided with opportunities to speak and engage in discussions. Extraordinary meetings are requested and held within the required timeframe, indicating general adherence to procedures, however there is opportunity to review the minimum requirements for an Extraordinary Meeting to be called. Whilst this may require advocacy by the City of Newcastle for changes to the LG Act, it could allow for consideration of timing (Christmas to New Year) and urgency.

Despite the political diversity within the Council, decision-making processes have not been significantly affected, although community feedback raised concerns regarding the transparency of voting practices during meetings. Having Councillors identify if they are speaking for or against a motion may assist in greater transparency.

While the structure of Council meetings is generally followed, there is an opportunity to enhance their efficiency. On several occasions, meetings have extended beyond six hours, continuing into the early hours of the morning. While occasional longer sessions may be necessary, this area warrants attention to ensure that decisions are made in a timely and well-considered manner. In addition, where meetings are likely to proceed for an extended period, a recess could be beneficial. (noting Councillors previously voted against a recess in November 2024).

The CEO plays a supporting role in these meetings, serving as advisor, clerk, and custodian of rules. However, the review suggests that meeting efficiency could be improved. This could be achieved by more consistently adhering to discussion time limits and refining meeting agendas to ensure a more streamlined and effective decision-making process.

The Office of Local Government has released draft amendments to the Model Meeting Code aimed at improving how councillors gather, debate and make decisions.

Findings: Management places great effort and demonstrates professionalism in the preparation of business papers, minutes, technology provision and meeting run sheets. There is a significant amount of work that the Legal and Governance team undertake to ensure meetings have a framework to run efficiently, effectively and lawfully.

Meeting management (chairing) would benefit from greater structure, including clearer adherence to speaking timelines.

There is some uncertainty regarding the CEO's role in Council meetings. As the head of the public service, the CEO supports the achievement of Council's vision and outcomes, provides strategic advice to the Lord Mayor and Councillors, and ensures compliance with the regulatory framework. Clarifying the CEO's role in Council meetings could enhance understanding among Councillors and also the community. Additionally, there is an opportunity to further strengthen the professional relationship between the Lord Mayor, Councillors and the CEO to support effective governance.

Whilst the rules for calling of an extraordinary meeting are prescribed in the LG Act and there has only been one extraordinary meeting in recent times, reasonable consideration by Councillors as to the urgency and timing of such a meeting warrants reflection.

Recommendation 1 | City of Newcastle review in line with any revised Model Code of Meeting Practice released by the Office of Local Government and reinforce Council meeting procedures, scheduling, and governance to ensure clarity of roles, efficient decision-making, and adherence to meeting rules, in particular speaking time limits.

Recommendation 2 | When speaking to a motion Councillors (where possible) are encouraged to be clear if they are speaking for or against a motion and where possible to provide dialogue on their rationale and reasons.

Letter writing to media

This appeared in 133 public submissions. Several submissions have stated that the matter of the Scott Neylon letters has been investigated however not the Jason Sivo letters.

Allegations were made suggesting that Council CEO, Mr Jeremy Bath, used his friend's name, Mr Scott Neylon (Scott Neylon), as a pseudonym to write letters to the Newcastle Herald articulating political content concerning Council.

Following a resolution of Council on 25 July 2023, an independent investigation was undertaken into alleged Code of Conduct breaches by City of Newcastle's (CN) Chief Executive Officer (CEO).

This followed a request from the Minister for Local Government and a Code of Conduct complaint submitted by a Mr Bob Cook.

In accordance with City of Newcastle's Procedure for Administration of the Code of Conduct (Procedure), based on the Model Procedure set out by the Office of Local Government, the matter was referred to an external Conduct Reviewer, independent of the City of Newcastle, for assessment and investigation.

The investigation by the Conduct Reviewer found no evidence that the CEO incentivised the author of letters submitted to the Newcastle Herald, nor did he reveal to the author confidential information.

The investigation found no evidence that the CEO directly contributed to the letters. The investigation concluded both allegations were not substantiated.

In addition, separate referrals to the Independent Commission Against Corruption (ICAC) and the Office of Local Government (OLG) were made requesting formal reviews of the decision which were considered and closed out by the two authorities.

The state member for Wallsend, The Hon. Sonia Hornery also used parliamentary privilege to make further accusations and calling for the CEO to be sacked but has not made these specific accusations outside of parliament.

The investigation report ([Pinnacle Report](#)) is also publicly available on the City of Newcastle website with minor redactions.

Some submissions stated the Jason Sivo letters had not been investigated. Correspondence available to the reviewers alleges there is a likely link between Jason Sivo and Scott Neylon, in that there was a common mobile service recorded in the letters to the Newcastle Herald during the relevant period.

If correct, (the linking of Mr Sivo and Mr Neylon, with one using a pseudonym) the reviewers' view is that this would not materially change the Pinnacle investigation. Further, the reviewers' view is that a further investigation would be costly and is unlikely to change the Pinnacle review findings.

When considering investigations, Council has a more limited ability to carry out investigations with the State government and its authorities holding more extensive powers. In stating this, the Council has undertaken an investigation (Pinnacle) and referrals of matters have been made to the State government for consideration. This may not be understood by the Community.

While some submitters have suggested another review of this matter could provide further clarity, ICAC and the Office of Local Government have considered the allegations and have closed these matters.

This matter continually being raised risks eroding confidence in the CEO and the City of Newcastle and is distracting for the organisation and its officers.

The Pinnacle report discussed the potential impact on the mental health of the CEO. The reviewers concur and suggest this and the impact on other staff needs to be carefully considered by the Councillors and others.

Findings: The reviewers acknowledge that the City of Newcastle has undertaken all reasonable steps within its authority to investigate this matter. The investigation by Pinnacle, along with referrals to ICAC and the Office of Local Government have occurred and have been closed. All investigations and considerations have been concluded with no adverse findings.

Recommendation 3 | No adverse findings, the City of Newcastle (and others) should draw a line under this matter of letter writing to the media and move forward.

Information Public Access

Submissions identified opportunities to improve the GIPA application process, including challenges some applicants faced in completing their requests due to staff availability, particularly when making application fee payments. Streamlining this process through a self-assessment checklist and independent payment system could improve accessibility and ease of use.

The City of Newcastle complies with the NSW Government's 'Government Information Public Access' (GIPA) guidelines; however, submissions highlighted concerns regarding the accessibility and timeliness of information. Some residents have reported difficulties obtaining documents they consider should be publicly available, often needing to submit formal GIPA requests, which has contributed to perceptions of limited transparency. Delays in processing these requests have further reinforced concerns about the availability of information.

City of Newcastle's Annual Report [2023-2024 Annual Report](#) (on pages 186-191) and Information Guide details City of Newcastle's extensive pro-active release program. Expanding this proactive approach to publishing key project and operational information could help reduce reliance on GIPA applications and strengthen confidence in Council's commitment to transparency. Making relevant information more

accessible in a timely manner would also address concerns about the complexity and cost associated with obtaining public documents.

The Proactive release of information will go a long way to better informing the community and reduce a common perception in submissions that follow a theme of ‘what are Council hiding?’. The review found no evidence to suggest any information was deliberately being withheld by City of Newcastle officers and rather there appears to be a strong desire to keep community informed and engaged.

Findings: The City of Newcastle complies with NSW guidelines and takes a proactive approach to releasing information. There is an opportunity to enhance transparency by expanding the range of publicly available information. By increasing the availability of information to improve transparency and reduce community reliance on formal GIPA applications.

Recommendation 4 | City of Newcastle to proactively release key project and operational details including financial information on their website in a timely manner to improve transparency and reduce community reliance on formal GIPA applications.

Complaint Handling

Numerous community submissions highlighted frustrations with the management of customer complaints. Through this review, City of Newcastle’s complaint handling processes were found to be more adversarial than necessary, with complaints often closed without adequate consideration or clear communication.

The review notes that the Customer Complaints Policy excludes decisions made by the elected Council, which restricts public avenues for addressing concerns about key decisions. Coupled with limited Councillor resources for responding to public queries, this creates a barrier to meaningful engagement and transparency. To improve this, there is an opportunity to revisit the policy to ensure that concerns related to Council decisions are addressed more effectively and that Councillors have adequate resources to respond to the public.

Anonymous customer complaints to the City of Newcastle are frequently categorised as “feedback” regardless of the level of detail provided, with limited internal review mechanism for penalty notices, which are assessed under an external framework. These practices limit City of Newcastle’s ability to demonstrate responsiveness to community concerns and ensure complaints are handled fairly. It is acknowledged that confidential complaints cannot be specifically resolved with the complainant, however the matter being raised can often be considered, actioned and resolved.

The review has found service-related complaints were not always managed effectively, particularly when issues remained unresolved, or complainants were not informed of next steps. In some instances, complaints were closed without clear communication on whether actions had been taken or were planned for future resolution. To improve transparency and responsiveness, City of Newcastle should review its customer complaint classification procedures to ensure all concerns are appropriately captured, assessed, and communicated. Strengthening notification processes to keep complainants informed about the status and outcome of their complaints would reinforce a more customer-centric approach to service delivery.

Additionally, complaints regarding decisions that have already been made, such as event cancellations, are sometimes left unaddressed or closed out without informing the customer.

Complaints related to disputed parking fines are referred directly to Revenue NSW, without an internal review of whether the fine was reasonable, or compassionate grounds should be considered in the specific context. The review found that CN staff distanced themselves from any responsibility for review of parking infringements by deferring to Revenue NSW for all decisions describing a review function as ‘not their role’. Under the arrangement with revenue NSW this statement is accurate, it is not their role. Should or could it be? The answer to this question would have to be balanced against ensuring an appropriate separation of duties for issuance and review for appropriate governance oversight.

Management advises that the current practice by all Local Governments in NSW is to refer appeals to Revenue NSW however this is not the case in other states where some Local Governments engage an internal disputes commissioner with appropriate independence to assess such matters prior to a referral to a Revenue NSW equivalent for debt management and collection.

An early triaging of requests for review (with appropriate governance oversight) prior to referral to Revenue NSW could provide better customer/community care and expedite responses. There may be an opportunity for the City of Newcastle to consider bringing some of this service in house noting the service and cost benefits will require further consideration noting that FINES ACT 1996 (NSW) may have limitations which will need due consideration.

Findings: Anonymous complaints that contain sufficient detail to be assessed should be treated accordingly. Providing clearer explanations on complaint outcomes, including the basis for decisions made, would help strengthen community confidence in the complaint-handling process. Enhancing the initial triaging of parking fine disputes within the City of Newcastle presents an opportunity to improve customer service and ensure a more responsive approach. Careful service, design and cost considerations will be necessary.

Recommendation 5 | Review procedures for complaint handling, including anonymous correspondence being treated as a complaint when legitimate information is included, document release, and complaint handling procedures to ensure timely, transparent responses and a customer-centric approach.

Recommendation 6 | Review the Customer Complaints Handling Policy to include decisions made by the elected Council as a valid customer complaint to provide an avenue for community feedback on Council decisions.

Recommendation 7 | Consider introducing a parking fine review process prior to referral of fines to Revenue NSW.

Governance Financial

Introduction

Davidson has a reasonably strong understanding of the City of Newcastle's financial performance resulting from previous benchmarking work where Davidson had been commissioned by a large regional city in another State to review their revenue and assets. This City had selected 5 local governments to benchmark themselves against including the City of Newcastle.

Newcastle stood out by successfully balancing a diversified revenue base, competitive pricing, and managed borrowings alongside significant community investment.

When auditing the 2023/2024 financial year there were no recommendations made by the NSW Audit Office in its Management Letter.

Financial governance in local government involves ensuring responsible and sustainable financial management, including budgeting, revenue generation, expenditure, investment, and reporting, all within a framework of legal and ethical standards to serve the community effectively. Overall, the City of Newcastle performs well in this regard and there were some minor observations for improvement.

Submissions on Financial Governance mostly related to rates (being high), access to financial information, Newcastle Airport financials* (and other matters), City of Newcastle Staff Christmas Party, Service Levels for maintenance of infrastructure, Sporting Clubs, the special business rate scheme and council offices.

***Note:** Newcastle Airport is fully addressed in this section under financial governance, including other issues raised, for clarity and ease of reference (see pages 14 and 15).

Overview of City of Newcastle Financial Performance

Newcastle delivers strong community value with diversified revenue, competitive pricing, and efficient operations.

Robust financial metrics and efficient debt management, combined with numerous examples of operational excellence, underscore Newcastle's capacity to deliver high quality services while maintaining financial resilience and strategic agility.

Specifically, the benchmarking previously undertaken identified:

- Newcastle's diversified revenue base shows minimal reliance on external grants, demonstrating robust own source income and a balanced mix of revenue streams.
- Competitive pricing is evident as user fees and service charges are set below benchmark averages, delivering strong value to residents.
- Community investment in Newcastle is underscored by the highest per capita spending in the cohort, reflecting a firm commitment to local services and infrastructure however this equally could present an opportunity for reducing costs and/or driving efficiencies.
- Strong financial metrics are reflected in healthy cash reserves, leading own source revenue, and a robust current ratio that validates financial strength despite lower pricing and elevated spending.
- Operational efficiency is highlighted in processing more planning permits with lean staffing and lower operating costs, showcasing a highly efficient service delivery model.
- Effective debt management in Newcastle is demonstrated in maintaining the lowest proportion of rates debt relative to issued rates and competitive infringement debt on a per capita basis.

Access to financial information

A number of submissions highlighted the challenge in gaining access to financial reporting data.

Financial data and information reporting has become less detailed since 2016, preventing community from understanding project spending. Project reporting currently bundles operating expenditure with capital works, inflating perceived investment and risks hiding actual capital renewal levels.

The most recent Foreshore Park Report (March 2025) is an example of where project costs are fully provided, and this practice should continue.

One submitter commented:

‘.....In prior administrations, the full program of 400-500 capital projects was included in budgets together with costs and timeframes. This full list was updated in quarterly reviews so the ratepayers could track how their money was being spent and brought accountability to management to deliver budgeted outcomes. Since 2017, only a one-page summary of the works program is included in financial reports, so it is impossible to track how the money is spent....’

Reviewers found that in some instances, the Contracts Register is incomplete, with significant variations difficult to identify.

Access to financial information especially in relation to major capital work projects especially where significant budget variations have occurred (reporting thresholds to be established by budget variation percentage and/or dollar quantum). Reporting should also include explanations for the budget increase or variation. This will assist greatly in more providing greater transparency and understanding by community. Given the extensive governance, project management and existing internal reporting arrangements **that are already in place**, this information should be readily accessible and therefore produced without the need for additional reporting layers/requirements. This information should be reported to a Council meeting on a quarterly basis and in doing so would also be available to the public.

Findings: The City of Newcastle’s financial position and sustainability compare favourably with similar larger regional cities. Its revenue base is diversified beyond rates, and its borrowings are managed to support major projects. Expanding the provision and regular quarterly reporting of financial information, particularly on major projects and projects with significant variations, would help address community concerns raised through submissions and enhance transparency.

Recommendation 8 | Reinstatement of more detailed Financial Reporting, including individual project listings and budget performance (quarterly) based on best practice examples from within the Sector.

Recommendation 9 | Increase diligence to ensure Contracts Register maintained with clear detail regarding variations.

Newcastle Airport - Company Structure, Directors and Approvals

There were 23 submissions lodged regarding the governance of Newcastle Airport.

These mostly focussed on:

- Board appointment process concerns.
- Reports of decisions being made outside council delegations without full council awareness.
- Increased expenditure on the airport redevelopment

At risk of oversimplifying the Corporation Act arrangements, the Newcastle Airport (NAPL) operates under a head lease from Australian Government’s Department of Defence to the City of Newcastle and Port Stephens councils (50/50). That lease is the primary asset from which other investments can follow (terminals etc). It is arranged such that both councils must maintain a majority (51%) ownership of their (respective 50%) shares going forward. The councils’ shares are held in two corporate entities each. An agreement also exists with the RAAF to provide landing and take-off rights, services and use of airport infrastructure.

The Airport’s financial performance is annually presented to the councils by the Airport CEO and CFO. This most recently occurred in October 2024. A comprehensive report on the structure of the Newcastle Airport was presented to Council on December 10th, 2024. This report was unanimously adopted by Councillors and was also made available on the City of Newcastle web site.

It is also noted a presentation to ARIC is scheduled for the 7th of April 2025.

NAPL is responsible for the operation and development of the airport as the agent of the Newcastle Airport Partnership (NAP). NAP consists of four directors, who through their NAP roles are also nominee directors of the NAPL Board. The Councils (in their role as shareholders) determine the appointment of the four nominee directors (two each). These appointments can be terminated by a resolution of the

Council and written notice to NAPL. The removal takes effect immediately on receipt of the notice by NAPL.

NAPL is governed by a skills-based board of up to ten people, with a majority (up to six) being independent directors. The independent board members are recommended for appointment to the NAPL Board by a panel consisting of the City of Newcastle Lord Mayor (now the Deputy Lord Mayor) and CEO and the Port Stephens Mayor and General Manager. The NAPL directors are also directors on the Greater Newcastle Aerotropolis Board (GNAPL) which has oversight of Newcastle Airport's defence and aerospace precinct Astra Aerolab.

Until the last general election, both Councils had their Lord Mayor and CEO (Mayor and General Manager) as their directors. Those same directors formed the respective boards of the equity shareholding companies. The City of Newcastle Council resolved at their last meeting to alter the company directors to provide for one staff and one Councillor on NAPL and GNAPL (Deputy Lord Mayor Callum Pull and CEO) as well as a councillor and a staff member on each of the shareholding companies (1: Cr Jenny Barrie and the Executive Director City Infrastructure 2: Cr Dr Elizabeth Adamczyk and Executive Director City Infrastructure).

City of Newcastle Councillors and Staff are remunerated as directors for NAPL and GNAPL but not for director roles on the two shareholding entities. Some submissions referred to/criticised directors (CEO and previous Lord Mayor) for being paid for their directorship. There may be an adverse perception of Councillors and officers being additionally remunerated for their company director roles. However, this is not in breach of the Local Government Act and their nomination and appointment was a decision made by the full Council with knowledge and disclosure of these director payments.

Newcastle Airport Company- Financials

The Airport has an existing loan facility which was approved by the City of Newcastle. This approval, combined with the approval of the various airport companies allowed the airport to borrow to a pre-approved maximum from a specified major bank mortgaged against the head lease for the airport. Drawing down on the loan facility is a decision of the NAPL board and at this point in time is understood to have a balance of some two-thirds of the approved limit.

It is noted that the airport has in recent years drawn down against the loan facility to undertake capital works such as an expansion of the terminals (nearing completion). Notwithstanding this, the current debt owed by the airport when considered in relation to its assets, is considered by most measures to be modest.

Findings: While the review has not conducted a detailed financial analysis of Newcastle Airport's financial position and operations, it is considered unlikely that any significant financial risks will be transferred to the City of Newcastle. The appointment of board directors was carried out with the necessary governance and council approvals. Enhanced oversight by the Audit, Risk and Improvement Committee (ARIC) will be beneficial, noting this has already been established by the City of Newcastle executive with the Airport reporting annually and from December 2024, quarterly reporting to ARIC for 2025.

Recommendation 10 | ARIC to include in their annual business calendar (ongoing) at least two briefings from Newcastle Airport which includes information on the assets, liabilities and operations of the Newcastle Airport in accordance with the consolidation of accounts for the City of Newcastle.

Use of Ratepayer Funds for Staff Christmas Party

There were 34 submissions made criticising the expenditure at the staff Christmas party and the purchase of gifts for a raffle.

It is noted the cost per head for the City of Newcastle staff Christmas party compared very favourably with costs for other NSW Council Christmas celebrations. The CEO has provided advice to Councillors on costs and the expenditure that has occurred sits within the CEO's delegated authority.

Events and celebrations at the end of the year can be an important part of building and maintaining a positive and constructive organisational culture and provide recognition for the work undertaken and the achievements throughout the year. There is of course the need to balance priorities, especially in the case of expenditure of public monies. In this case, the review notes there is nothing untoward, however there is an opportunity for reflection given how the expenditure of funds has been viewed by the community.

Previously each City of Newcastle staff member was gifted a Christmas cake at the end of year Christmas party. This practice was replaced with a raffle that had numerous prizes, with a variety of values. Overall, the use of prizes versus a Christmas cake presented a 50% cost reduction in expenditure however the use of significant higher value prizes runs the risk of negative community perception, and this remains a judgement call for the CEO and the executive.

It is worth noting that the executive team held an end of year Christmas gathering/dinner, and the CEO personally paid for this event which is to be commended as it demonstrates a strong awareness of community perception and commitment to his executive leadership team.

Findings: Staff Christmas parties are an important opportunity for both staff and executives to acknowledge employees and foster a positive organisational culture. Expenditure was within the CEO's delegated authority. While no excessive spending was identified, there is recognition that the potential for perception concerns warrants consideration.

For Noting 11 | No adverse finding nor recommendation on the Staff Christmas Party.

Service levels for core maintenance of Infrastructure

There were 23 submissions referring to a need for a greater focus on maintenance of roads, parks, footpaths, and public spaces rather than other higher-profile infrastructure enhancements.

- Submissions described poor-quality mowing, weeding, and street cleaning across various suburban areas.
- Most submissions were considered customer service complaints/feedback.

In addition, submitters referred to the need for further infrastructure enhancements in their areas:

- Delayed delivery of critical infrastructure (e.g., Minmi Road duplication, Beresfield Pool upgrades) were specifically referred to as a priority.

NB: It is understood Beresfield pool upgrade works is being funded via a grant from the NSW Govt, which was received more than 12 months after being announced. This resulted in the work to the pool needing to be delayed until off season to avoid impact on swimmers.

This review did not assess service levels or standards within maintenance contracts/master agreements noting that the vast majority of CN maintenance is delivered in-house, with only a small proportion contracted to the market (to augment workload peaks or provide specific or specialist services).

Some service reviews are already in progress, for example the maintenance workshop review and performance uplift was delivered in 2023/24, improvements are already being delivered in footpath maintenance after service review in 2024, roadside vegetation maintenance is in the process of implementation, and asphalt maintenance is being developed.

A service catalogue with a rolling schedule of reviews should be considered by management.

Findings: There is a strong commitment at the City of Newcastle to continue to ensure service levels meet community expectations. There are no adverse findings, and the City of Newcastle should use a service catalogue to prioritise and schedule service reviews and these should be undertaken at regular intervals.

Recommendation 12 | City of Newcastle continue to conduct service reviews of maintenance contracts and contract management practices as well as internal service arrangements where maintenance services are provided directly by City of Newcastle, to ensure residents receive value for money, have appropriate service levels and measures of performance against these service level targets.

Sporting Clubs

There were 11 submissions that commented on the management of sporting clubs.

- Several submitters stated that some community sporting clubs are paying higher fees for the standard of service received than those in neighbouring councils.
- Other submissions questioned the lack of transparency in scheduling and prioritisation of field upgrades and maintenance along with disparities in investment.

Whilst the reviewers understand there can be comparison with other local governments, the fees and charges are determined and set by the City of Newcastle on an annual basis at the time it adopts its budget and places it on public exhibition. The most appropriate time for community to make a submission to Council for its consideration on these matters is at the time it develops and adopts its budget.

The setting and adoption of capital works is a decision of the Council with advice on asset management and renewal prepared by officers.

Some sporting clubs may disagree with the decisions made. However, there was no evidence to suggest that decisions on sporting upgrades and fees were made by Council outside of those formal decisions at the time Councillors adopted the budget by way of a council resolution.

Findings: The practice for selecting new sporting club and field upgrades, as well as the adoption of fees and charges, is appropriate. The decision-making processes are transparent and align with Council policies and procedures.

For Noting 13 | No adverse finding nor recommendation on the treatment of sporting clubs.

The Special Business Rate (SBR) Scheme

Several submissions raised concerns with the availability of information regarding how SBR funds are levied, allocated, and spent along with a belief by some that the Business Improvement Associations (BIAs) are not best positioned to direct funds meant for local benefit.

- Reports of SBR money being redirected to unrelated council promotions that do not directly benefit businesses.
- Some businesses questioned the value they received and the costs to administer the scheme.

A review of the Business Improvement Association FY24 Annual Report presents a comprehensive summary of the program and associated expenditure to deliver against the purpose of the Special Benefit Rate. Further, the Special Business Rate Expenditure Policy provides the governance parameters for spending and decision making.

Findings: The BIA report is comprehensive and stronger evidence and feedback to Council will continue to enhance and improve the SBR.

Recommendation 14 | The City of Newcastle require Business Improvement Associations (BIAs) undertake research with membership and the community annually at agreed regular intervals to assess satisfaction and impact and present these findings to council for consideration.

Council office accommodation

Numerous submissions commented on the sale of the council-owned Roundhouse building and move to more costly leased premises resulting in rent without asset ownership.

The commercial terms of the lease were not considered as part of this review other than the noting that decision to proceed was a decision made by the Council (i.e. the elected Councillors).

In several of the interviews with officers it was apparent to the reviewers that those officers who had previously worked in Roundhouse building described it as not fit-for-purpose and not conducive to contemporary work practices (open plan, shared meeting rooms etc) and that its structural configuration made it challenging for redevelopment into contemporary office space.

It also became evident through these interviews that new office space appears to have had a very positive impact on employee value proposition and ways of working.

Office space in a city is a commodity best delivered by the market, and it is not uncommon for councils to lease, rather than own, the office buildings from which their employees operate. Commercial leasing provides greater flexibility, enabling councils to scale their office space up or down as needs evolve over time.

Findings: Contemporary and purpose-built office space is crucial for attracting and supporting a high-performance organisation. The leasing of premises is considered to be standard practice.

For Noting 15 | No adverse finding nor recommendation on Council office accommodation.

Compliance

Introduction

Compliance is crucial for local governments as it ensures lawful operations, maintains community trust, protects assets, and promotes accountability, ultimately contributing to effective and efficient governance.

Community feedback indicated opportunities to strengthen Council's compliance activities, particularly in the areas of regulation enforcement, conflict of interest management, and transparency. Concerns were raised regarding the consistency of compliance monitoring and enforcement, with some community members perceiving gaps in how regulations are applied. Feedback also highlighted the need for greater clarity and consistency in managing conflicts of interest and improving processes related to public information access under the Government Information Public Access Act (GIPA). Addressing these areas would support greater transparency, accountability, and confidence in Council's operations.

Enforcement of Key Regulations

Submissions from the community suggest that City of Newcastle's enforcement of key regulations, including off-leash dog enforcement, development approvals, and venue operating hours, is inconsistent. Some regulatory areas appear to be poorly monitored, resulting in repeated complaints and perceptions of leniency. For instance, off-leash dog areas have raised concerns among residents regarding safety and enforcement, as some areas are not monitored, and offenders are not consistently fined. Similarly, community members have reported that development approvals are not always enforced effectively, leading to issues including non-compliant building works or failure to adhere to approved conditions. The lack of enforcement in these areas creates dissatisfaction and a perception City of Newcastle is not taking regulatory responsibilities seriously.

In February 2023 Council adopted a Compliance and Enforcement policy which includes regulatory functions, including, but not limited to development and building control, pollution control, environmental health, public health and safety, animal control, food safety, parking and traffic, and fire safety.

The City of Newcastle receives numerous requests from members of the public, and various other parties and authorities to investigate concerns regarding non-compliant or unlawful activities.

All concerns received are initially received and assessed by the Customer Contact Centre or Records Section in accordance with the City of Newcastle's customer service charter. Concerns of a serious nature can be referred immediately to the relevant departments for further assessment and appropriate response.

Decisions about what action should be taken by City of Newcastle are made at City of Newcastle's discretion, having regard to this Policy and related policies and procedures. It is acknowledged that the City of Newcastle does not have unlimited resources to investigate all reports received which allege unlawful activity and that the adopted Policy and associated procedures assist staff in the appropriate allocation of investigation and legal resources.

A key issue mentioned in the submission was the consistency of decisions made with more attention to monitoring and enforcement where infringements occur.

Findings: The City of Newcastle's compliance and enforcement policy is regarded as best practice. It provides clarity in its handling and assessment processes, risk categorisation, and the allocation of responsibilities and referrals. While the reviewers did not assess each compliance and enforcement issue raised in the submissions, the recurring themes related to enforcement suggest the opportunity for a more structured and consistent approach. This would ensure that all

regulations, particularly those concerning public safety and land use, are consistently monitored and that violations are addressed in a timely manner.

Recommendation 16 | Enhance monitoring and enforcement of regulations to ensure consistent compliance and address community concerns regarding regulatory leniency.

Conflicts of Interest

The review identified room for improvement in how conflicts of interest (COI) are managed within City of Newcastle. While councillors have previously and appropriately declared conflicts in matters such as the Inland Pools tender and Newcastle Airport, the application of COI policies requires constant vigilance and attention. Submitters raised concern that some councillors participated in or influenced decision-making processes despite declaring a conflict. There is also a perception that conflicts of interest may affect transparency and confidence in Council's governance.

It is noted that having a conflict of interest is not an issue. It is the nomination of the conflict and then the management of this conflict that is the important consideration.

To improve COI management, regular training for councillors and executives would help ensure a clear understanding of policies and obligations.

Findings: Conflicts of Interest (COIs) are the responsibility of individual Councillors to identify and declare. The reviewers observed that, generally, these are well managed by Councillors at the City of Newcastle. However, there were instances where more consistent declarations of COIs could have been made. While the Councillor induction process addresses COI responsibilities and procedural management, ongoing training and awareness, both for Councillors and the community, would further enhance understanding and management of COIs.

Recommendation 17 | Continue education and awareness for councillors, the Lord Mayor and the community on how COI are declared and managed.

Major Projects

Introduction

The City of Newcastle delivers a very significant Capital Works Program, managing over 350 projects worth approximately \$140 million annually. These projects focus on enhancing infrastructure, community facilities, and services across the city, in alignment with the Newcastle 2040 Community Strategic Plan. The program's aim is to renew and reinvigorate Newcastle, by creating a liveable, inclusive, and sustainable city while boosting cultural amenities and environmental sustainability.

Community feedback on the City of Newcastle's management of major projects highlighted common concerns across the following key areas: the consultation process for major projects, cost overruns, outsourcing of public assets and/or their operations, and the belief that major projects are being prioritised over essential, everyday upgrades like footpath improvements. Much of the feedback pertained to the following major projects, each of which will be addressed individually in our observations:

- Basketball Stadium (Hunter Indoor Sports Centre)
- Inland Swimming Pools Tender
- Skatepark at Bathers Way, South Newcastle Beach
- Newcastle 500 Championships
- Newcastle Ocean Baths Upgrade

General Observations:

Overall, the review's assessment of the Council's processes and governance of major projects indicates alignment with good practice.

This includes evidence of clear mechanisms to coordinate major projects across the Council, including a Project Management Office (PMO) and portfolio management systems. City of Newcastle executive have indicated their intention to further strengthen the independence and authority of the PMO and this is supported.

The presence of a robust Asset Management Policy, Service Asset Management Plan and a well-defined Procurement Policy further supports the management of projects, and the prioritisation of asset renewals, upgrades and maintenance. This is supported by a dedicated plan for footpath replacements, along with a defects register to manage and address business as usual infrastructure issues. Additionally, there is evidence of sound lessons learned practices where learnings on projects and community engagement have been captured to help improve future project delivery.

Transparency

There is a need to improve financial transparency over total project costs disclosed to the public. The City of Newcastle issues fractional information as contracts are awarded without disclosing estimates of total project expenditure including planning, design, contingencies, variations etc. Notwithstanding commercial sensitivities, providing a more detailed cost breakdown will help to build community trust and understanding of project complexities. This could be strengthened further by improving the overall transparency and communication regarding progress and scope changes across the project lifecycle.

Findings: There are very clear policies and procedures relating to the management of Capital Projects. There is a mature approach to the role of a Project Management Office (PMO) as well as portfolio management systems. Asset management plans and policy are both established and

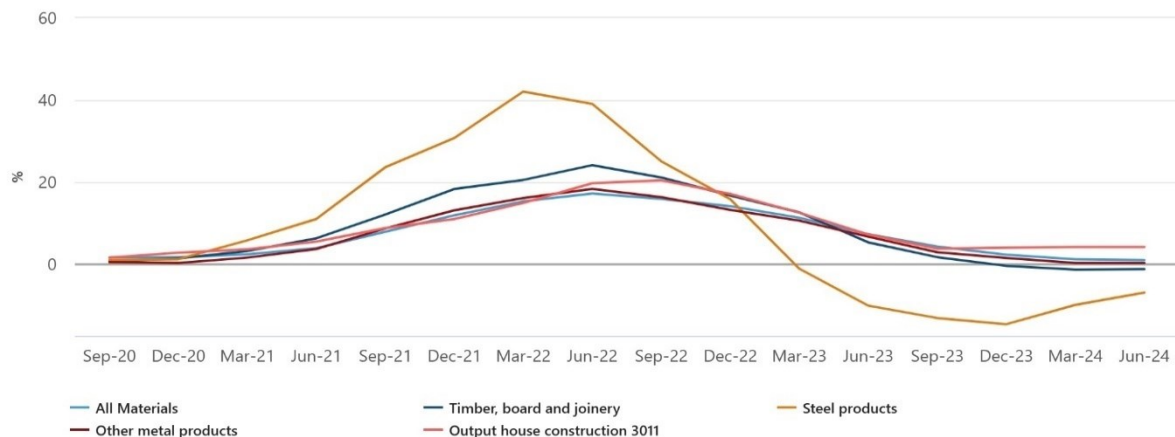
embedded in work practices and budgets. There is evidence of strong evaluations of specific projects and 'lessons learned' that also include the consideration of community feedback. Greater information against individual projects including variances is required and will enhance community understanding and trust.

Recommendation 18 | Enhance transparency in project reporting to the public by providing information on total project costs and breakdowns, including any cost variations. Additionally, ensure regular, transparent updates on project progress and any key changes to scope, schedule or costs.

Project cost overruns and contingency planning

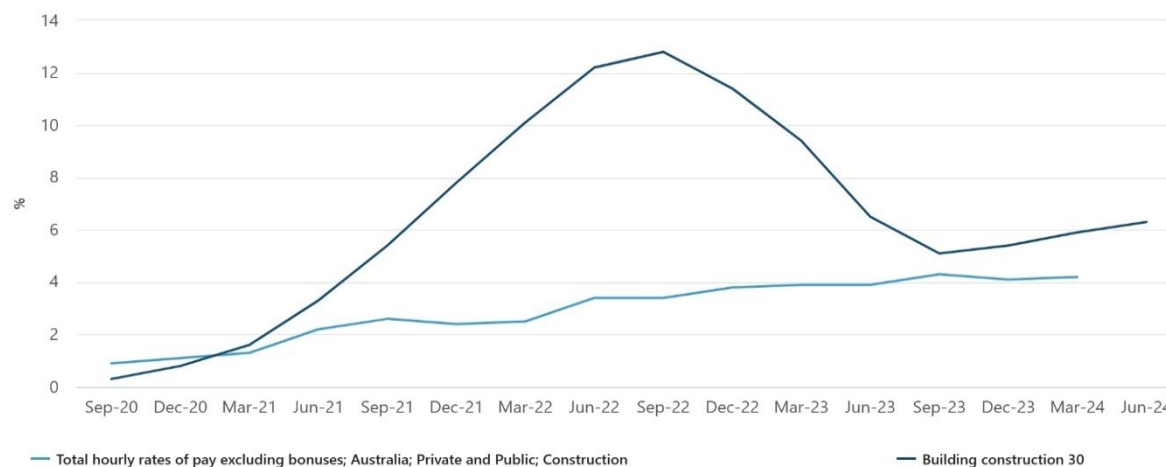
The review acknowledges that construction costs between 2019 and 2023 have escalated significantly, far exceeding CPI growth. Most construction projects across Australia have experienced substantial budget overruns. In response, some organisations have increased contingency allowances for major projects to approximately 30 percent, compared to the historical standard of 10 percent. The cost of materials, including timber, glass, steel, and concrete, as well as labour expenses, has risen sharply over this period (see Figures 3 and 4).

Figure 3: Material inputs into House construction and Outputs of House construction, Annual percentage change



Source: Australian Bureau of Statistics, Insights into Output of Building construction prices 2/08/2024

Figure 4: Wage Price Index (Construction) and PPI Building construction, Annual percentage change



Source: Australian Bureau of Statistics, Insights into Output of Building construction prices 2/08/2024

The review examined the Project Portfolio Management Policy (April 2022). This policy is thorough in outlining how the City of Newcastle identifies, prioritises, delivers and manages Capital work projects. In addition, there is a Project Management procedure manual last updated in 2023 which is applied to Capital projects. This document also clearly outlines responsibilities for the Project Sponsor, Program Manager, Project Manager, the Project Control group, the Asset custodian(s) and the asset manager(s). The manual has clear phases and categorising of projects and has aligned risk policies.

However, the City of Newcastle has an opportunity to improve its contingency planning to better equip the city to manage project costs. For example, if a project has been approved by the Council and is still at the early schematic design stage, and a detailed Quantity Surveyed (QS) price estimate hasn't been completed yet, it is recommended that the initial price estimate be presented as a 'cost range' rather than a 'fixed price' to the public. Additionally, the initial estimate should include a larger contingency to account for potential scope changes that may arise from community engagement or issues identified during the detailed design phase (such as soil contamination). This contingency can be adjusted (reduced) later, once a QS or Bill of Quantities provides a more accurate and certain cost estimate.

In addition, it is regular practice for scope management to occur with capital projects and this needs clear and deliberate communication with community so that there is a better understanding and awareness of project management/scope change versus the perception of 'cost blowouts'.

Findings: The City of Newcastle has experienced significant cost overruns on certain projects, with various explanations provided for these variations. Many of these are attributable to changes in scope or design, as well as increases in material and labour costs between initial budget estimates and the tender or contract stages. To address this, it is recommended that greater contingencies be allowed for earlier in the project timeline (prior to detailed design) and that cost ranges, rather than fixed prices, be considered. Additionally, scope changes and their impact on costs are not always fully understood by the community and key stakeholders, highlighting the need for broader awareness and education on the management of capital projects.

Recommendation 19 | Ensure adequate contingency planning, where the initial price estimates for capital projects include a 'cost range' and larger contingency to allow for scope changes resulting from community engagement and/or matters discovered or identified during detailed design.

Specific Major Projects

The review has made the following observations regarding specific projects most frequently mentioned in the community submissions:

Basketball Stadium (Hunter Indoor Sports Centre)

Community feedback includes concerns on the selection of Wallarah and Blackley Ovals as the site for the new sports centre, stating lack of community consultation, and accusations of political interference.

The review has found no evidence of failure to follow process in the selection of the site for the new sports centre. This project is an NSW Government initiative (via the NSW Office of Sport) who has committed \$25m in grant funding to Newcastle Basketball for the development of the site. As part of this funding commitment, the NSW Office of Sport imposed strict requirements for the selection of the site, with Wallarah and Blackley Ovals (located on Crown Land) identified as the only site meeting the criteria in 2022.

The site for the sports centre was announced by NSW Government and Newcastle Basketball in March 2023 without prior community consultation. The City of Newcastle commenced consultation a month later on the detailed design of the new sports centre. The City of Newcastle has raised several concerns with the NSW Government regarding logistical issues and the potential impact on the local community. At the time of writing this report, the City of Newcastle provided in-principle support for the development application noting that landowners consent has been provided by Crown Lands for the DA which is now under consideration by the NSW Govt.

Findings: The review has found no evidence of failure to follow process in the selection of the site for the new sports centre. The project is a NSW Government initiative. The site selection was ultimately determined by the criteria/requirements set by the NSW Office of Sport and not by the City of Newcastle.

Inland Swimming Pools Tender

Community feedback includes accusations of improper privatisation and tendering of the pools, and lack of community consultation.

The review found that the tendering/awarding of the contract for the Inland Pools was compliant.

The City of Newcastle has developed a detailed Inland Pools Strategy 2043 which outlines the asset conditions and future upgrade and maintenance requirements. The Strategy notes that the maintenance of the pools has been partially outsourced since 2014. The City of Newcastle conducted community consultation on the draft Strategy, followed by a public briefing to present findings from feedback process. It later formed the Inland Pools Community Network comprising of swimming centre, accessibility and school representatives to consult on the ongoing management of the pools. Due to the operational nature of the inland pools tender, and a continuance of existing outsourcing arrangements, the City of Newcastle determined not to undertake broader community consultation on this matter.

The City of Newcastle's Tendering and Contracts Procedure states that all tenders over the value of \$250k must be advertised in the Newcastle Herald, Sydney Morning Herald and TenderLink. There is community perception that the public notice for the lease of the swimming centres was never advertised in the Newcastle Herald and a proper process was not followed. The review has found that a public notice was first issued on 3 July 2023 in the Sydney Morning Herald followed by a second notice issued on 15 July

2023 in the Newcastle Herald, as such due process was followed. The review did not determine the reason behind for the 12-day gap between the advertising in the two papers.

Findings: A strategic plan for the Inland Pools is a Council adopted strategy. The contracting out of the inland pools was supported by a comprehensive cost-benefit analysis and capital investment benchmarking presented to the elected Council to inform the tender process. The tender process adhered to Council Policy and the LG Act. Additionally, there is evidence of effective management of conflicts of interest, demonstrated by the former Lord Mayor and six councillors exiting the chamber during the tender discussion.

Skatepark at Bathers Way, South Newcastle Beach

Community feedback includes concerns over the lack of consultation on the selection of the site, cost overruns, and that the site is not being used due to the incorrect placement of the skatepark.

The Bathers Way – South Newcastle Beach Project presented significant challenges for the City of Newcastle, including the principal contractor going into administration after the impacts of COVID-19. This project is an example of how early planning and assessments, contingency planning and disclosing total project costs would have supported the City of Newcastle through its many challenges and community backlash.

The City of Newcastle established a Reference Group for consultation between 2018 and 2020, and a Communication Plan was developed to guide the consultation process. The community raised concerns about the location of the skatepark, leading to a change in its proposed location.

Findings: Reviewers confirmed that appropriate governance processes were followed for this project. However, there were opportunities to improve transparency and community engagement regarding the costs, progress, and challenges of the initiative, which could have helped mitigate some of the criticism directed at the project.

Newcastle 500 Championships

Community feedback includes concerns over poor consultation process, and public funds being spent on the event instead of essential, routine upgrades.

The Newcastle 500 event is generally regarded as a success in terms of economic impact, public attendance, and promoting the city nationally as a major event destination. The City of Newcastle pursued the event as it aligned with its 2030 Community Strategic Plan, with expectations of economic benefits based on data from the Gold Coast championship. However, the review found no evidence of a detailed cost-benefit analysis conducted specifically for the City of Newcastle prior to the decision to proceed. From a process standpoint, there was an opportunity for better planning and a more thorough risk assessments before committing to the event.

A number of community submissions were critical of Jeremy Bath as the CEO on the decision to progress with the Newcastle 500. However, this decision was made prior to his appointment as the CEO of the City of Newcastle.

There was comprehensive documentation developed to guide the community consultation process. This included the development of a draft Newcastle 500 Community Consultation Strategy for public feedback, and a Communications Plan that included various methods to engage the community and gather input. However, both the community and some Councillors criticised the consultative process for failing to address key questions and concerns of residents and small businesses. This indicates a gap between effective planning practices and their practical application, highlighting potential issues in implementation.

Findings: The Newcastle 500 event aligned with Council's 2030 Community Vision and was perceived to have promoted the City of Newcastle to a national audience while demonstrating economic benefits. However, there was a need for more thorough planning, including a cost-benefit analysis and a risk assessment. While a comprehensive community engagement plan was

in place, some individuals and businesses that were more significantly impacted were not engaged to the extent they had anticipated, nor as expected by the City of Newcastle. Additionally, there were individuals opposed to the Newcastle 500, and it is unlikely that these concerns could have been addressed through any level of community engagement.

Newcastle Ocean Baths Upgrade

Community feedback includes concerns relating to the overdevelopment and privatisation of the baths, the cost and delays.

There is evidence of a preliminary feasibility assessment and cost-benefits analysis undertaken by an independent provider that articulates the benefits of engaging a private investor to support this project and minimise cost to Council.

A public EOI was conducted for the redevelopment of the Ocean Baths in 2018 however it proved unsuccessful.

The delays and cost overruns can be largely attributed to; the heritage overlays on the site resulting in objectors seeking an Interim Heritage Order (IHO) to stop the project which was subsequently not supported by Heritage NSW. City of Newcastle conducted non-destructive structural assessment to minimise initial impacts and manage community expectations. This resulted in the initial structural assessment of the pool walls proving inaccurate when construction began and resulted in unexpected remediation work.

Subsequently, Heritage NSW considered the community request and determined not to recommend the making of an IHO to the Minister for Environment and Heritage in this instance.

More thorough planning and assessment process early in the project may have alleviated some of these challenges noting that City of Newcastle elected to undertake a non-destructive structural assessment of the walls in advance of construction to minimise community impact. This is a reasonable explanation as to why a more thorough assessment wasn't conducted at the time.

The Ocean Baths had extensive engagement and input from the broader community which lead to an alternative design being adopted. A Community Reference Group was also established in early 2020 from key stakeholders and nine community members to inform the project. It appears that the community concern initially arose from opposition to the project itself and how it was introduced to the community, rather than its design and location.

Findings: There is strong evidence of broad community engagement, which aligns with best practice, on this project. Delays and cost overruns can largely be attributed to the heritage overlays on the site, which led to delays whilst an Interim Heritage Order was sought by some objectors, as well as an initial incorrect structural assessment of the pool wall (with valid explanation).

Engagement

Introduction

Community engagement is central to the effective operations of the City of Newcastle to ensure that residents have a say in shaping the future of the city they live in. It is vital for maintaining accountability in the spending of public funds and ensuring that investments benefit the local community. A proactive and transparent approach to engaging the public helps to build trust, while protecting the quality of life for residents and supporting a thriving business community.

Feedback from some submitters on the way the City of Newcastle engages with the public was described as ‘tokenistic’ and ‘superficial’ with a ‘decide and defend’ approach to engagement. Several submissions expressed a need for greater transparency across all aspects of the council, including major project spending, operational costs, council performance, and the allocation of rates. (this is discussed under financial governance with specific recommendations)

They also seek clearer insights into the decision-making processes, council plans, and long-term strategies. Concerns have also been raised around poor access to Councillors to raise issues or discuss decisions made by the elected Council.

Residents have expressed a desire for more meaningful engagement in council projects and decision-making. While consultation opportunities are available and there are City of Newcastle examples that the reviewers believe are examples of best practice across the Local Government Sector, some submitters feel they could be even more accessible and provide clearer pathways for community input.

Ensuring residents can share their perspectives early in the planning process and see how their feedback influences final decisions may help foster even stronger connection and trust in council initiatives.

Planning vs Implementation (engagement)

As noted earlier in this report, there appears to be a disconnect between good planning practices and their delivery to the community. In several major projects, the City of Newcastle has undertaken comprehensive consultation processes. However, in some instances, community members have expressed that their concerns were not adequately addressed, as seen in projects such as the Newcastle 500.

Stakeholder dissatisfaction with a Council decision does not necessarily indicate inadequate consultation. However, there is an opportunity for the City of Newcastle to strengthen its approach to closing the feedback loop by acknowledging community contributions and ensuring individuals feel heard. This includes engaging the community early in the decision-making process, allowing their input to inform decisions rather than validating a predetermined position. The City of Newcastle has commenced a Customer Experience transformation initiative to address gaps in customer satisfaction.

Findings: There is evidence of best practice in several capital projects where community engagement played a key role in the overall success of the initiatives. Whilst some residents will never agree with some decisions made by Council, there were instances where earlier engagement with residents could have been highly beneficial. In some cases, a lack of early engagement led to feelings of disenfranchisement, resulting in some community members becoming strong objectors to the projects.

Recommendation 20 | Ensure community feedback is sought early in key Council decisions, and that community members who made submissions receive a relevant response on the outcomes of the consultation process, and any subsequent decisions made.

Organisational Culture

Introduction

Community submissions raised concerns regarding leadership dynamics, and City of Newcastle's approach to political transitions. Some submissions indicated challenges in alignment between the executive team and the newly elected council, contributing to operational inefficiencies. Additionally, there were perceptions of poor organisation culture from some submitters who purported to have experience/insight into the organisation.

Organisation Culture

A strong organisational culture in local government is vital for effective leadership, employee satisfaction, and successful community action initiatives, influencing everything from better service delivery to ethical conduct.

Whilst there may be pockets of and/or individual issues, overall, the City of Newcastle appears to have a healthy organisational culture.

Like most large contemporary organisations, the City of Newcastle undertakes annual staff engagement surveys. When reviewing the results from previous years, it is evident that there is constant improvement in the year-on-year results. Good organisational culture is developed over time and these favourable results are encouraging.

Whilst finalising the overall report the 2025 engagement survey results were received by management and provided to the reviewers. These summary results show a healthy decline in the 'detractors' (4% decline when compared to 2024 and 12% when compared to 2020) across the organisation with the 'promoters' score increasing (3% increase when compared to 2024 and 15% increase when compared to 2020). These are very good results noting there has been year on year improvements in engagement scores since 2020. Management advises a report will be presented to Council over the coming months.

The Workforce Development Strategic Plan is deemed by the reviewers to be 'best practice' with clear priorities, goals, actions and performance targets and measures. These are comprehensive and outline opportunities to strengthen workplace culture, invest in City of Newcastle's people (workforce), build the City of Newcastle employer brand and be future ready.

Organisations that have such mature workforce plans will see these translated into strong organisational culture survey results and this appears to be the case at the City of Newcastle.

PDP's (performance development plans) have an average completion rate of 60% over the previous 3 years with a slight increase (66%) in 23/24. A concentrated effort to increase the completion rates of these PDP's will see continued uplift in performance and most likely organisational culture.

Findings: Overall, the City of Newcastle demonstrates a healthy organisational culture, which has shown consistent improvement over the previous five years, as evidenced by culture survey results. Significant time, commitment, and resources have been invested by leadership, and much of the planning and workforce strategy is considered best practice. However, there is a need to increase the completion rates of annual Performance Development Plans which will further enhance performance and culture.

Recommendation 21 | Strengthen attention to PDPs by managers and team leaders and also completion rates of PDPs by staff and officers.

Alignment of Priorities

The review found the executive team has faced some challenges in effectively and quickly aligning the organisation to the priorities of the newly elected council. This has resulted in some operational

difficulties. There were indications of a need for smoother coordination between the Lord Mayor (LM), councillors, and senior staff, which in turn impacted decision-making processes. Some further challenges at this time result from the political process whereby the Lord Mayor must gain the majority support of Councillors before the CEO and executive can be clearly directed on these established priorities.

Unlike the appointment of political advisers or staffers in government Ministerial offices, the employment of support officers in the Lord Mayor's office requires practices in keeping with the City of Newcastle employment policy and therefore requires a skills-based assessment. This means that appointments are not direct appointments cannot be made solely based on the Lord Mayor's preferences. It is possible that this distinction was not fully understood by the current Lord Mayor.

Staff employed in the Lord Mayor's office are employees of the City of Newcastle and are therefore covered by the City of Newcastle Enterprise Agreement.

The appointment of staff in the Lord Mayor's office requires collaboration and agreement between both the Lord Mayor and the Chief Executive Officer. It is common practice across local government for staffing changes to occur in the office of the Lord Mayor should there be the election of a new Lord Mayor which was the case at the City of Newcastle. The working relationship between a Lord Mayor and office staff is unique and therefore their working style must also understand and be able to reflect the Lord Mayor's priorities and ways of working. For this reason, employment arrangements for these roles are typically fixed term and often align with the Council or Lord Mayoral election cycle.

The City of Newcastle should consider enhancing its approach to managing possible changes in political leadership at general elections. This could include preparing the executive team to better align with new council priorities, promoting open communication among leadership, and ensuring clarity in governance and decision-making processes. It is noted that the vision and direction for the City can alter after a general election even if the elected leadership of the City does not substantially change.

Findings: Significant training and support were provided to the Lord Mayor through induction and meeting procedures. However, there appear to have been opportunities to strengthen the 'ways of working' and improve the timeliness of establishing a Lord Mayor's office with appropriate support staff.

Recommendation 22 | Strengthen executive preparedness for transitions associated with elections, facilitating alignment with new leadership and council priorities through clear communication and collaboration.

Collaborative relationship between the Lord Mayor, Councillors and CEO

A strong, collaborative relationship between the Lord Mayor, Councillors and CEO is critical to the effective governance and operational success of City of Newcastle. There understandably may be some differences in views between the Councillors (including the Lord Mayor) just as the community they represent may hold differing views. However, once Council has decided a direction, the CEO is accountable to ensure that this agreed position is effectively implemented by the public service.

Enhancing communication and fostering a mutual understanding of roles and responsibilities will help improve governance and decision-making. Regular forums for open dialogue and structured collaboration between the LM, CEO, and councillors could ensure alignment and help make decisions that are in the best interests of the community. Opportunities for such open dialogue include during the development of the annual budget and operational plans.

Findings: The review identified areas for improvement in aligning the Lord Mayor, Councillors and the CEO (Executive) on strategic priorities, which is essential for cohesive decision-making and leadership. Strengthening this relationship will support improved collaboration between the Lord Mayor, CEO/executive team and councillors, creating a more unified leadership environment.

Recommendation 23 | Ensure the alignment of the Lord Mayor, Councillors and CEO on strategic priorities to foster a high-performing council, with a focus on a collaborative, complementary leadership relationship.

Conclusion

This review has found the City of Newcastle to be a well-managed and high-performing organisation, with numerous examples of best practice in the way it operates and serves the community.

Importantly, no instances of fraud, corruption, breaches of legislation, or maladministration were identified. This was also reflected through the professionalism, transparency and responsiveness of the City of Newcastle staff and Councillors who engaged openly and constructively throughout this review.

As with all contemporary organisations, there are areas where further improvement is possible. These opportunities, outlined in the report, offer valuable pathways for the City to strengthen its services and continue delivering positive outcomes for the people of Newcastle.

Improving external stakeholder relationships remains an area of focus, and with dedicated attention, there is scope to enhance trust and collaboration. Additionally, a stronger emphasis on communication and early engagement — both in clarity and reach — is likely to result in higher levels of community satisfaction and confidence.

Recommendations will need due consideration with advice to Council by management. Reviewers acknowledge that some findings and therefore recommendations may have a different or better way to address these findings and there may be resource implications that need to be considered by Council.

Appendix

Table 1 Summary of review recommendations, timelines and action owners.

Topic	Finding	Rec' number	Recommendation	Indicative Timeline	Responsible officer
Governance (General)	Meeting management would benefit from greater structure, including clearer adherence to speaking timelines. There is some uncertainty regarding the CEO's role in Council meetings. As the head of the public service, the CEO supports the achievement of Council's vision and outcomes, provides strategic advice to the Lord Mayor and Councillors, and ensures compliance with the regulatory framework. Clarifying the CEO's role in Council meetings could enhance understanding among Councillors and the community. Additionally, there is an opportunity to further strengthen the professional relationship between the Lord Mayor, Councillors and the CEO to support effective governance. Whilst the rules for calling of an extraordinary meeting are prescribed in the LG Act reasonable consideration by Councillors as to the urgency and timing of such a meeting warrants reflection.	1	City of Newcastle review and reinforce Council meeting procedures, scheduling, and governance to ensure clarity of roles, efficient decision-making, and adherence to meeting rules, in particular speaking time limits.	0 – 3 months	
		2	When speaking to a motion Councillors (where possible) are encouraged to be clear if they are speaking for or against a motion and where possible to provide dialogue on their rationale and reasons.	0 – 3 months	
	The reviewers acknowledge that the City of Newcastle has undertaken all reasonable steps within its authority to investigate this matter. The investigation by Pinnacle, along with referrals to ICAC and the Office of Local Government have occurred and have been closed. All investigations and considerations have been concluded with no adverse findings.	3	No adverse findings, the City of Newcastle (and others) should draw a line under this matter and move forward.	n/a	
	The City of Newcastle complies with NSW guidelines and takes a proactive approach to releasing information. There is an opportunity to enhance transparency by expanding the range of publicly available information. By increasing the availability of information to improve transparency and reduce community reliance on formal GIPA applications.	4	City of Newcastle to proactively release key project and operational details including financial information on their website in a timely manner to improve transparency and reduce community reliance on formal GIPA applications.	6 – 12 months	
	Anonymous complaints that contain sufficient detail to be assessed should be treated accordingly. Providing clearer explanations on complaint outcomes, including the basis for decisions made, would help strengthen community confidence in the complaint-handling process. Enhancing the initial triaging of parking fine disputes within the City of Newcastle presents an opportunity to improve customer service and ensure a more responsive approach. Careful service, design and cost considerations will be necessary.	5	Review procedures for complaint handling, including anonymous correspondence being treated as a complaint when legitimate information is included, document release, and complaint handling procedures to ensure timely, transparent responses and a customer-centric approach.	6 – 12 months	
		6	Review the Customer Complaints Handling Policy to include decisions made by the elected Council as a valid customer complaint to provide an avenue for community feedback on Council decisions.	6 – 12 months	
		7	Consider introducing a parking fine review process prior to referral of fines to Revenue NSW.	12 – 18 months	
Governance (Financial)	The City of Newcastle's financial position and sustainability compare favourably with similar larger regional cities. Its revenue base is diversified beyond rates, and its borrowings are managed to support major projects. Expanding the provision and regular quarterly reporting of financial information, particularly on major projects and projects with significant variations, would help address community	8	Reinstatement of more detailed Financial Reporting, including individual project listings and budget performance (quarterly) based on best practice examples from within the Sector.	6 – 12 months	
		9	Increase diligence to ensure Contracts Register maintained with clear detail regarding variations.	6 months	

	concerns raised through submissions and enhance transparency.				
	While the review has not conducted a detailed financial analysis of Newcastle Airport's financial position and operations, it is considered unlikely that any significant financial risks will be transferred to the City of Newcastle. The appointment of board directors was carried out with the necessary governance and council approvals. Enhanced oversight by the Audit, Risk and Improvement Committee (ARIC) would be beneficial, and this has already been established by the City of Newcastle executive.	10	ARIC to include in their annual business calendar a briefing from Newcastle Airport which includes information on the assets, liabilities and operations of the Newcastle Airport in accordance with the consolidation of accounts for the City of Newcastle.	0 – 6 months	
	Staff Christmas parties are an important opportunity for both staff and executives to acknowledge employees and foster a positive organisational culture. Expenditure was within the CEO's delegated authority. While no excessive spending was identified, there is recognition that the potential for perception concerns warrants consideration.	11 (for noting)	No adverse finding nor recommendation on the Staff Christmas Party.	n/a	
	There is a strong commitment at the City of Newcastle to continue to ensure service levels meet community expectations. There are no adverse findings, and the City of Newcastle should use a service catalogue to prioritise and schedule service reviews and these should be undertaken at regular intervals.	12	City of Newcastle to continue to conduct service reviews of maintenance contracts and contract management practices as well as internal service arrangements where services are provided directly by City of Newcastle, to ensure residents receive value for money, have appropriate service levels and measure of performance against these service level targets.	12 – 18 months	
	The practice for selecting new sporting club and field upgrades, as well as the adoption of fees and charges, is appropriate. The decision-making processes are transparent and align with Council policies and procedures.	13 (for noting)	No adverse finding nor recommendation on the treatment of sporting clubs.	n/a	
	The BIA report is comprehensive and stronger evidence and feedback to Council will continue to enhance and improve the SBR.	14	The City of Newcastle require Business Improvement Associations (BIA's) undertake research with membership and the community annually at agreed regular intervals to assess satisfaction and impact and present these findings to council for consideration.	6 – 12 months	
	Contemporary and purpose-built office space is crucial for attracting and supporting a high-performance organisation. The leasing of premises is considered to be standard practice.	15 (for noting)	No adverse finding nor recommendation on Council office accommodation.	n/a	
Compliance	The City of Newcastle's compliance and enforcement policy is regarded as best practice. It provides clarity in its handling and assessment processes, risk categorisation, and the allocation of responsibilities and referrals. While the reviewers did not assess each compliance and enforcement issue raised in the submissions, the recurring themes related to enforcement suggest the opportunity for a more structured and consistent approach. This would ensure that all regulations, particularly those concerning public safety and land use, are consistently monitored and that violations are addressed in a timely manner.	16	Enhance monitoring and enforcement of regulations to ensure consistent compliance and address community concerns regarding regulatory leniency.	0 – 6 months	
	Conflicts of Interest (COIs) are the responsibility of individual Councillors to identify and declare. The reviewers observed that, generally, these are well managed by Councillors at the City of Newcastle. However, there were instances where more consistent declarations of COIs could have been made. While the Councillor induction process addresses COI responsibilities and procedural management, ongoing training and awareness, both for Councillors and the community, would further enhance understanding and management of COIs.	17	Continue education and awareness for councillors, the Lord Mayor and the community on how COI are declared and managed.	0 – 3 months	

Major Projects	There are very clear policies and procedures relating to the management of Capital Projects. There is a mature approach to the role of a Project Management Office (PMO) as well as portfolio management systems. Asset management plans and policy are both established and embedded in work practices and budgets. There is evidence of strong evaluations of specific projects and 'lessons learned' that also include the consideration of community feedback. Greater information against individual projects including variances is required and will enhance community understanding and trust.	18	Enhance transparency in project reporting to the public by providing information on total project costs and breakdowns, including any cost variations. Additionally, ensure regular, transparent updates on project progress and any key changes to scope, schedule or costs.	6 – 12 months	
	The City of Newcastle has experienced significant cost overruns on certain projects, with various explanations provided for these variations. Many of these are attributable to changes in scope or design, as well as increases in material and labour costs between initial budget estimates and the tender or contract stages. To address this, it is recommended that greater contingencies be allowed for earlier in the project timeline (prior to detailed design) and that cost ranges, rather than fixed prices, be considered. Additionally, scope changes and their impact on costs are not always fully understood by the community and key stakeholders, highlighting the need for broader awareness and education on the management of capital projects.	19	Ensure adequate contingency planning, where the initial price estimates for capital projects include a 'cost range' and larger contingency to allow for scope changes resulting from community engagement and/or matters discovered or identified during detailed design.	0 – 3 months	
	Sports Centre: The review has found no evidence of failure to follow process in the selection of the site for the new sports centre. The project is a NSW Government initiative. The site selection was ultimately determined by the criteria/requirements set by the NSW Office of Sport and not by the City of Newcastle.		No recommendation made	n/a	
	Inland Pools Contract: A strategic plan for the Inland Pools is a Council adopted strategy. The contracting out of the inland pools was supported by a comprehensive cost-benefit analysis and capital investment benchmarking presented to the elected Council to inform the tender process. The tender process adhered to Council Policy and the LG Act. Additionally, there is evidence of effective management of conflicts of interest, demonstrated by the former Lord Mayor exiting the chamber during the tender discussion.		No recommendation made	n/a	
	Skate Park at Bathers Way: Reviews confirmed that appropriate governance processes were followed for this project. However, there were opportunities to improve transparency and community engagement regarding the costs, progress, and challenges of the initiative, which could have helped mitigate some of the criticism directed at the project.		No recommendation made	n/a	
	Supercars: The event was aligned with Council's 2030 Community Vision and was perceived to have promoted the City of Newcastle to a national audience while demonstrating economic benefits. However, there was a need for more thorough planning, including a cost-benefit analysis and a risk assessment. While a comprehensive community engagement plan was in place, some individuals and businesses that were more significantly impacted were not engaged to the extent they had anticipated, nor as expected by the City of Newcastle. Additionally, there were individuals opposed to the Supercars Championship, and it		No recommendation made	n/a	

	is unlikely that these concerns could have been addressed through any level of community engagement.				
	Newcastle Ocean Baths upgrade: There is strong evidence of broad community engagement, which aligns with best practice, on this project. Delays and cost overruns can largely be attributed to the heritage overlays on the site, which led to an Interim Heritage Order halting the project, as well as an initial incorrect structural assessment of the pool wall (with valid explanation).		No recommendation made	n/a	
Engagement	There is evidence of best practice in several capital projects where community engagement played a key role in the overall success of the initiatives. However, there were instances where earlier engagement with residents could have been highly beneficial. In some cases, a lack of early engagement led to feelings of disenfranchisement, resulting in some community members becoming strong objectors to the projects.	20	Ensure community feedback is sought early in key Council decisions, and that community members who made submissions receive a relevant response on the outcomes of the consultation process, and any subsequent decisions made.	0 - 6 months	
Organisational Culture	Overall, the City of Newcastle demonstrates a healthy organisational culture, which has shown consistent improvement over the previous five years, as evidenced by culture survey results. Significant time, commitment, and resources have been invested by leadership, and much of the planning and workforce strategy is considered best practice. However, there is a need to increase the completion rates of annual Performance Development Plans which will further enhance performance and culture.	21	Strengthen attention to PDPs by managers and team leaders and also completion rates of PDPs by staff and officers.	12 – 18 months	
	Significant training and support were provided to the Lord Mayor through induction and meeting procedures. However, there appear to have been opportunities to strengthen the 'ways of working' and improve the timeliness of establishing a Lord Mayor's office with appropriate support staff.	22	Strengthen executive preparedness for transitions associated with elections, facilitating alignment with new leadership and council priorities through clear communication and collaboration.	12 – 18 months	
	The review identified areas for improvement in aligning the Lord Mayor, Councillors and the CEO (Executive) on strategic priorities, which is essential for cohesive decision-making and leadership. Strengthening this relationship will support improved collaboration between the Lord Mayor, CEO/executive team and councillors, creating a more unified leadership environment.	23	Ensure the alignment of the Lord Mayor, Councillors and CEO on strategic priorities to foster a high-performing council, with a focus on a collaborative, complementary leadership relationship.	0 – 3 months	



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