

Community Strategic Plan review – Finance ***Sound decisions for a sustainable future***

The Community Strategic Plan is the over-arching document that drives Council decisions, ensuring we focus on the projects and services that are of highest importance to our community.

The plan is reviewed after every Council election. This is your opportunity to have a direct say on the vision and priorities for the Kiama Municipality now and into the future.

For our Community Strategic Plan to be effective, it needs to be grounded in reality. It must be informed by current challenges, so that Council and the community can together make strategic choices that will strengthen our ongoing financial sustainability.

The current state of play

Kiama Municipal Council is responsible for delivering extensive services to the community and is the region's largest employer. Unlike other local councils, we also provide aged care services through Blue Haven Illawarra.

In the 2021/22 financial year, Council is projecting an operational deficit of \$2.7M. We're facing significant challenges across three areas:

1. Financial sustainability – cash flow, liquidity, and financial management
2. Organisational capability, culture and performance – how we invest in staff and systems
3. Risk and governance – how we set the strategic direction that drives sound financial and operational decisions

To be sustainable, we need to change the way we operate both parts of the organisation - Blue Haven and Council's general local government services.

About Council's financial position

Council's financial performance has been impacted over many years by a range of factors including lack of sound financial policy and long term financial planning, staff turnover and technology issues.

We've experienced cost over-runs on major capital projects, and until now there has been little forward planning to manage our major assets such as buildings and holiday parks. Employee costs now make up a large portion of our operating costs, while at the same time there are significant staff shortages across the organisation.

While many councils experience financial challenges, the added complexity of running an aged care business presents an unusual circumstance for Kiama Council.

We've already taken numerous actions to address our current situation, including strengthening our governance and reporting by creating a Finance Advisory Committee, a skills-based Blue Haven Advisory Board and an Audit Risk and Improvement Committee. These groups will be instrumental in helping us respond to these challenges.

We are also working on many fronts to address staffing and industrial issues, including reviewing our salary system and how leave is managed.

In reviewing the Community Strategic Plan, it's critical that strategic decisions are made to help guide the future sustainability of the organisation. With your input, our elected Councillors will reset Council's priorities to ensure that effort and resources are directed where needed.

Over to you

To help shape the future of a financially sustainable Kiama Council, we'd like to hear your views on these questions:

1. If Council were to focus on the highest priority services and activities, what would those be?
2. Of its current services, are there any programs Council should not be offering? Which services/activities should be cut back?
3. How would you generate more revenue for Kiama Council, which it could direct into services for the community?
4. Do you believe Council's fees and charges are high enough to support its current level of services?
5. What other ideas do you have for helping to make Kiama Council a sustainable business?

How to have your say

Attend a public workshop to help update our Community Strategic Plan (CSP)

<https://www.kiama.nsw.gov.au/Council/Your-say/Community-Strategic-Planning-Workshops>

Complete the CSP survey on our website at <https://www.kiama.nsw.gov.au/Council/Your-say/Community-Strategic-Plan>

