

**13.2 Bi-monthly update: Strategic Finance & Governance Improvement Plan - August 2025**

- CSP Objective: Outcome 5.3: Council has the right structures, technology, processes and procedures to support delivering for the public.
- CSP Strategy: 5.3.2 Council will deliver the actions outlined in the State of the Organisation Report and the Strategic Improvement Plan
- Delivery Program: 5.3.2.1 Continuous improvement is embedded in the organisation through delivery of the Strategic Improvement Plan priorities annually.

**Summary**

In response to receiving the varied Performance Improvement Order (PIO), Council adopted the Strategic Finance and Governance Improvement Plan at the extraordinary June 2024 meeting.

The varied PIO requires Council to provide bi-monthly reports to both the elected body and the NSW Office of Local Government (OLG) on the status of the implementation of all actions in the PIO.

To satisfy this requirement, a copy of the Strategic Finance and Government Improvement Plan was provided to the OLG following the extraordinary June 2024 meeting.

Bi-monthly implementation status reports have now commenced and will be provided to the elected body and the OLG August, October, December, February, April and June.

**Financial implication**

Some of the work required to be undertaken has been included in the 2025-26FY budget as there are costs associated with completing the activities of the updated Plan.

**Risk implication**

There is a risk that if Council does not comply with the PIO and improve its operating position that further ministerial interventions will be imposed. Continuing to fail to meet OLG benchmarks for financial sustainability (performance ratios) is not an acceptable outcome.

There is also a risk that Council will perceive an opportunity to make different decisions or make new commitments beyond what Council is capable of accommodating given the status and the requirements of the PIO. This PIO is proposed to manage that risk by spanning this and the future Council.

**Policy**

*Local Government Act 1993*

**Consultation (internal)**

Councillors, Chairs and members of the Audit, Risk and Improvement Committee, the Finance Advisory Committee, and the Blue Haven Advisory Committee were informed

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## Report of the Chief Executive Officer

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of the intention to vary the PIO via the supplementary report at the Extraordinary Council meeting on 1 February 2024.

The following staff were consulted with and provided input into the preparation of the attached 'Strategic Finance and Governance Improvement Plan':

- Executive Leadership Team.
- Implementation Team.
- Manager Communications and Engagement.
- Human Resources Coordinator.
- Strategic Planning Coordinator.

**Communication/Community engagement**

The Strategic Finance and Governance Improvement Plan is operational in nature and therefore there is no need to seek community feedback on its content. However, to ensure ongoing transparency copies of the bi-monthly status reports are published on a dedicated page of Council's website.

**Attachments**

Nil

**Enclosures**

- 1 Strategic Finance Governance actions - August 2025

**RECOMMENDATION**

That Council:

1. Receive the Strategic Finance & Governance Improvement Plan – Implementation Status Update – August 2025.
2. Note that the Chief Executive Officer, through the Implementation Team, will:
  - a. provide a copy of the Implementation Status Update – August 2025 to the NSW Office of Local Government, and
  - b. place a copy of the Implementation Status Update – August on Council's website.

**Summary**

In response to receiving the varied Performance Improvement Order (PIO), Council adopted their Strategic Finance and Governance Improvement Plan (the Plan) at the extraordinary June 2024 meeting.

A copy of the varied PIO was placed on Council's website in accordance with section 438D(2) of the *Local Government Act 1993*.

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The adopted Strategic Finance and Government Improvement Plan has been prepared to fulfil the requirements of the varied PIO. This Plan responds directly to the requirements of the varied PIO, including compliance with the cycle of reporting to Council and the Office of Local Government.

At all times, the Plan demonstrates how each of its actions relates to the actions of the varied PIO. The Plan incorporates the matters identified by the Audit Office of NSW's Management Letter for the 2022-23 Financial Year Audit, the 2024 Todd Hopwood 'Report on Review of Kiama Municipal Council Governance Arrangements' and Council's submission to the Federal Government's inquiry into Local Government sustainability.

The Plan provides the background for Council's current financial situation, defines financial sustainability and identifies the following eight levers for achieving financial sustainability:

1. Sustainable cash reserves and responsible borrowing
2. Optimised revenue opportunities
3. Well planned assets
4. Reviewed and efficient service landscape
5. Investment in transformation
6. Robust financial management
7. Prioritising advocacy and partnerships
8. Ensure good governance.

Any outstanding Strategic Improvement Plan 2 actions have been incorporated into the Strategic Finance and Government Improvement Plan. Where possible these actions have been consolidated and rationalised. Rather than focusing on operational outputs, the Plan seeks to identify and establish organisational outcomes for achieving financial sustainability.

In a similar fashion to Council's Delivery Program and Operational Plan, each Strategic Finance and Government Improvement Plan action has been assigned to an individual business unit.

**Reporting and transparency**

The varied PIO requires Council to provide bi-monthly reports to both the elected body and the NSW Office of Local Government (OLG) on the status of the implementation of all actions in the PIO. The Implementation Team will continue to liaise with the OLG on a regular basis to ensure the State Government is comfortable with the approaches being taken to achieve financial sustainability.

All Strategic Finance and Government Improvement Plan actions have been loaded into Council's Pulse software solution to enable regular reporting to occur within a regulated system rather than via excel spreadsheets.

Some actions require the preparation of new/updated Council policies, reviewing level of services, reviewing operating models and master planning key catalyst sites.

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Council will undertake community consultation process, in line with the adopted Community Engagement Strategy, for these projects.

**August 2025 actions update**

The varied PIO also requires monthly reports on the Council's financial position to be reported to the elected body. This report is the progress on all other actions of this plan that need to be reported to the elected body and OLG bi-monthly.

Significant actions have occurred from the plan over the last two months; these include the following:

- Council has appointed a contractor to proceed with the demolition of Havilah Place.
- The Kiama Sports Precinct Masterplan options are out on public exhibition.
- The Business Continuity and Crisis Management Framework has been received in draft and relevant staff are booked in for training this month.
- The performance review process for staff was refined and implemented during the months of June and July 2025.
- 44 of the 65 actions are fully completed.

The action plan in the enclosure outlines that significant actions have been completed and progress on all other actions since the Plan was endorsed in June 2024.

To ensure ongoing transparency copies of the bi-monthly status reports will be published on a dedicated page of Council's website.