

12 REPORT OF THE CHIEF EXECUTIVE OFFICER**12.1 2025-26 Delivery Program and Operational Plan - Progress report for the 6 month period July to December 2025**

CSP Objective: Outcome 4.1 Public funds and assets are managed strategically, transparently and efficiently.

CSP Strategy: 4.1.3 Council delivers local government functions and sustainable services that meet community expectations, with regular service reviews per Integrated Planning and Reporting requirements.

Delivery Program: 4.1.3.1 Maintain compliance with all relevant legislation and requirements, including the Office of Local Government risk management and framework, the Audit, Risk and Improvement Committee and internal audit operation.

Item 12.1

Summary

This report provides an update on progress of the 2025 – 2029 Delivery Program and 2025-2026 Operational Plan (DPOP) for the July - December 2025 period.

Financial implication

The annual Operational Plan is aligned with the corresponding Budget process.

Risk implication

This report details achievement of Delivery Program and Operational Plan activities. Areas which are not significantly progressed or complete may impact operational or strategic objectives.

Policy

Local Government Act 1993

Consultation (internal)

All Council departments contributed to the development of the Operational Plan and updates in this report.

Communication/Community engagement

The Delivery Program 2025-2029 and Operational Plan 2025-2026 were developed following engagement with the community and were adopted after being placed on public exhibition for 28 days.

Attachments

Nil

Enclosures

- 1 2025-26 DPOP July - December Progress Report PDF [↗](#)

RECOMMENDATION

Report of the Chief Executive Officer

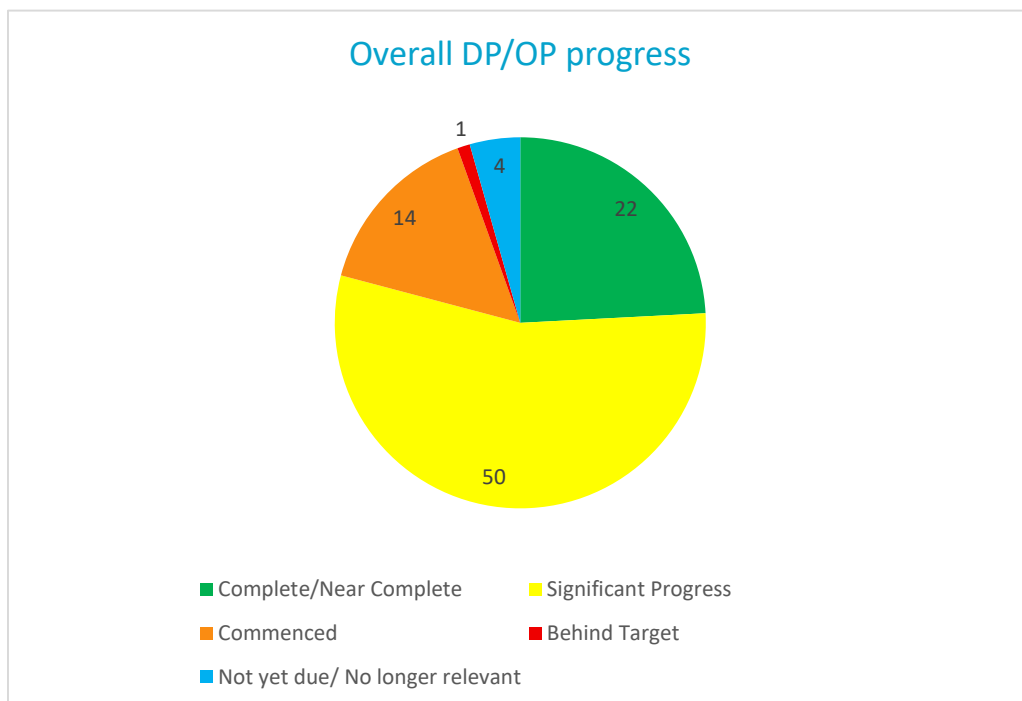
12.1 2025-26 Delivery Program and Operational Plan - Progress report for the 6 month period July to December 2025 (cont)

That Council receives the half-yearly progress report of the Delivery Program 2025-2029 and the Operational Plan 2025-26 for the period July – December 2025.

Background

In accordance with the *Local Government Act 1993*, this Delivery Program and Operational Plan Progress Report provide Councillors and the community with information reflecting progress towards the adopted strategies of Council's four-year Delivery Program and ten-year Community Strategic Plan.

The half-yearly progress report on the Delivery Program 2025-2029 and Operational Plan 2025-2026 is available in the enclosures.



There is a total of 91 reportable deliverables in the 2025-26 Delivery Program and Operational Plan (DPOP). It should be noted that the Kiama Municipal Council DPOP separates business as usual activities (which are outlined in team overviews) and discreet project-based activity which is included in reportable deliverable tables. This report provides progress updates on the reportable deliverable tables.

Across the duration of this DPOP period the following has been achieved:

- 24.1% (22) deliverables are complete or near complete
- 55% (50) deliverables have been significantly progressed
- 15.4% (14) deliverables have commenced
- 1.1% (1) deliverables are currently behind target

Report of the Chief Executive Officer

12.1 2025-26 Delivery Program and Operational Plan - Progress report for the 6 month period July to December 2025 (cont)

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- 4.4% (4) deliverables are either not yet due, or their delivery is on hold

Given this report reflects progress to the midpoint of the delivery cycle, Council has successfully complete or made significant progress to 79.1% of actions, and a further 15.4% commenced indicating that council and our community will be able to observe or derive benefit from the many things delivered in the 2025-26 financial year.

Council is progressing steadily and building solid momentum toward the remaining milestones.

Some key highlights achieved include:

- The Community Development Strategy has been drafted and will be presented to ELT and Council in Q3. The Strategy will guide and inform priority works within the Community Development and will include actions for implementations.
- The Asset Condition report for Blue Haven Terralong, along with associated costings finalised and ready for review by staff and Councillors.
- Completion of a new mural on Terralong Street, Kiama, by mural artist Jimmy Dvate. The artwork received an overwhelmingly positive community response, with strong praise for both the artist and the mural's long-term contribution to the public realm.
- Cultural Development team partnered with Library public programs to deliver the October school holiday program, the Makers & Creators program, Grandparents Day Storytime, and the Haunted Library event at Gerringong Library.
- Draft Reconciliation Action Plan (RAP) has been developed in consultation and collaboration with the Aboriginal Advisory Group and Elders and presented to Reconciliation Australia for feedback. Feedback has been addressed, a further brief internal consultation has taken place, and the RAP will be re-sent to Reconciliation Australia in Q3 for a final review before progressing the document to ELT and council for consideration.
- Natural Disaster recovery works completed on Jamberoo and Yellow Rock roads.
- 2025 National Tree Day delivered, with preparations for 2026 National Tree Day about to commence.
- Review and assessment of services delivered from Minnamurra Waste and Recycling Centre completed and report of recommendations presented to Council.
- Embedded battery collection trial implemented by Waste Services under partnership with the EPA.
- Planning is underway for the July 2026 Kiama Winter Festival, building on the success of the 2025 event.

Report of the Chief Executive Officer

12.1 2025-26 Delivery Program and Operational Plan - Progress report for the 6 month period July to December 2025 (cont)

- The Visitor Economy Strategy is nearing completion, with final internal reviews underway. The complete draft will be reported to Council in March 2026. An implementation program is being developed in parallel, identifying priority actions, sequencing, resourcing and performance measures.
- The Pricing Policy was incorporated in the 2025/26 Fees and Charges document which was adopted by Council in June 2025 and will continue to underpin preparation of future budgets by guiding setting of fees and charges.
- Lease and Licence Policy for lessee and licencing in property developed.
- A Project Management Framework has been developed in accordance with global industry standards set by the Project Management Body of Knowledge (PMBOK) and workshops have been run with key internal stakeholders.
- Workforce Management Plan 2025-2029 reviewed and adopted July 2025.
- Level 1 Cybersecurity Maturity Implementation Plan has been developed and present to ARIC. Plan implementation has commenced.
- The six-monthly grant status update report prepared for presentation at December 2025 Council meeting.

Deliverables behind target:

There is one item behind target as of 31 December 2025.

- Ensure public land and public assets in hazard affected coastal areas are appropriately managed - Not able to progress on the project which was relevant to this deliverable - Minnamurra Rockwall Remediation Works, due to having no internal resource available. Civil Engineer was appointed Jan 2026 to follow up on this project, to progress high level design to detailed design.

Item 12.1

12.2 Bi-monthly update: Strategic Finance & Governance Improvement Plan - March 2026

- 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.

Item 12.2

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 are provided to the elected body and OLG.

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 can accommodate given the status and the requirements of the PIO. This PIO is proposed to manage that risk by spanning this and the future Council.

The onerous timeframe imposed by the PIO for balanced budgets presents a challenge in light of structural deficit and operational cash flow. When combined with accounting standards for depreciation, current liabilities associated with retirement village deposits, retirement village unit vacancies and capital grant dependencies the operating position and task of achieving a balanced budget in the next budget is proving exceedingly challenging and a risk. This risk was discussed with Office of Local Government, ARIC, Major Projects and Finance Committee and Councilors during the months of February and March.

Report of the Chief Executive Officer

12.2 Bi-monthly update: Strategic Finance & Governance Improvement Plan - March 2026 (cont)

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 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.

Regular meetings are held between the OLG and Council to discuss the actions of the Strategic Finance and Governance Improvement Plan and the varied PIO. Staff who attend the meetings are the Chief Executive Officer (CEO), Director Corporate & Commercial and Head of Implementation.

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 and Governance action plan_update 10 March 2026⇒

RECOMMENDATION

That Council:

1. Receive the Strategic Finance & Governance Improvement Plan – Implementation Status Update – March 2026.
2. Note that the Chief Executive Officer, through the Implementation Team, will:
 - a. provide a copy of the Implementation Status Update – March 2026 to the NSW Office of Local Government, and

Report of the Chief Executive Officer

12.2 Bi-monthly update: Strategic Finance & Governance Improvement Plan -
March 2026 (cont)

- b. place a copy of the Implementation Status Update – March 2026 on Council's website.
3. Delegate to the CEO to meet with the Office of Local Government to discuss the seven (7) outstanding items and prepare a report back to a future ordinary meeting.

Item 12.2

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*.

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.

Report of the Chief Executive Officer

12.2 Bi-monthly update: Strategic Finance & Governance Improvement Plan - March 2026 (cont)

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

March 2026 actions update

This report is the progress on all other actions of this plan that will be reported to the elected body and OLG bi-monthly.

The following actions have been completed since the last report:

- Ongoing annual investment in identified cash reserves. Council has a restricted asset policy that provides the strategy and purpose of how the reserves are funded.
- The Business Continuity plan has been endorsed by ELT and presented to the Audit, Risk and Improvement Committee (ARIC).

Bimonthly report timing

The report will be presented bi-monthly to OLG and the elected body with this report being the first report for this calendar year. The next report will be presented in May 2026 and every second month following.

Progress to date

Total progress on the implementation of the Strategic Finance and Governance Improvement Plan is 89%.

The table below outlines the progress to date on completed actions.

Actions	Completed	85% or above
64 <i>*Original plan had a double up of 1 action</i>	57	7

Seven (7) actions are tracking at 85% of above to be completed.

Report of the Chief Executive Officer

**12.2 Bi-monthly update: Strategic Finance & Governance Improvement Plan -
March 2026 (cont)**

The action plan in the enclosures provides a progress update on all 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.

Item 12.2

12.3 Office of Local Government review of joint organisations

CSP Objective: Outcome 3.3: We love where we live and are strongly connected within our region. Growth and development will be managed sustainably, thoughtfully and equitably, while preserving our built and natural heritage.

CSP Strategy: 3.3.1 Collaborate and partner through Illawarra Shoalhaven Joint Organisation to develop a regional response to supply of affordable housing.

Delivery Program: 3.3.1.2 Remain engaged with Federal, State and Regional Planning.

Item 12.3

Summary

The report is presented to Councillors to confirm Kiama Municipal Council's position on its ongoing membership in the Illawarra Shoalhaven Joint Organisation (ISJO) following the NSW Government's review and refresh of the Joint Organisation (JO) framework. The Minister for Local Government has requested advice from councils on future JO membership (a copy of Minister Hoenig's letter is enclosed). This report outlines the value ISJO provides in regional collaboration, strategic planning and shared service delivery. The report asks councillors to endorse a response confirming Council's commitment to the ISJO, acknowledging the organisation's strong collaborative history.

Financial implication

Council is a member of the Illawarra Shoalhaven Joint Organisation (ISJO). The 2024-25 contribution was \$63,000. Conversely ISJO has managed to bring in substantial grant funding for disaster resilience, cyber security, coastal management and weed management to support all its members in recent years which represent a significant cost benefit to Council. For example over the past 2 financial years amounts to \$51,453 for FY25 and \$100,497 for FY24 have been paid to Council from ISJO for projects. Likewise, to date for FY26 Council has received \$56,212.

Council also provides finance, accounting, accounts payable, accounts receivable, payroll and HR services to ISJO at an agreed price of \$30,000 per year.

Risk implication

Council membership in ISJO provides regional collaboration and procurement panels that result in better policy outcomes and improved service delivery across the region. Without this cooperation Council risks being precluded from regional projects and financial savings.

Policy

Local Government Amendment (Regional Joint Organisations) Act 2017 No 65

Illawarra Shoalhaven Joint Organisation Charter

Consultation (internal)

Illawarra Shoalhaven Joint Organisation

Executive Leadership Team

Report of the Chief Executive Officer

12.3 Office of Local Government review of joint organisations (cont)

Communication/Community engagement

The Illawarra Shoalhaven Joint Organisation website provides details of regional strategies and projects.

Attachments

Nil

Enclosures

- 1 Minister Ron Hoenig - refresh of Joint Organisations - council-driven solution to regional collaboration⇒
- 2 ISJO 2025 Year in Review⇒

RECOMMENDATION

That Council:

1. Delegates to the CEO to write to Minister Hoenig confirming the following:
 - (a) Kiama Municipal Council's ongoing commitment to the Illawarra Shoalhaven Joint Organisation (ISJO) and commending the 2025 Year in Review report.
 - (b) Notes that Council is working constructively with Wollongong, Camden, Campbelltown, Shellharbour, Shoalhaven, Wingecarribee and Wollondilly Councils on the 'LG8 Strategic Partnership' focusing on advocacy and collaboration.
 - (c) Requests the NSW Government to consider opportunities to expand and enhance the operational and governance model for the Illawarra Shoalhaven Joint Organisation to include the Macarthur and Southern Highland Regions as the respective councils determine via resolution.
 - (d) Notes the significant value that Wollondilly Shire Council adds to the ISJO and recommends that the associate membership status for joint organisations be removed, in favour of full membership should that council resolve to so pursue such status.

Background

In 2017, the NSW Parliament passed the Local Government Amendment (Regional Joint Organisations) Act 2017, to establish a network of joint organisations. JOs are local government entities with legal powers to enable councils to work together at a regional level, and with state agencies and other organisations, to achieve better planning, economic development and service delivery outcomes in regional NSW.

The Office of Local Government (OLG), Department of Planning, Industry and Environment (DPIE) commenced a review of the JO framework. The overall objective of this review was to ensure the effectiveness of the JO framework, to enable JOs to deliver their core functions.

Report of the Chief Executive Officer

12.3 Office of Local Government review of joint organisations (cont)

Council has received a letter from Minister Hoenig regarding a refresh to the framework that governs Joint Organisations in NSW. Minister Hoenig is seeking advice from councils on membership of joint organisations and providing an opportunity for council-driven solutions to regional collaboration.

Purpose of joint organisations

JOs are statutory local government bodies under the *NSW Local Government Amendment (Regional Joint Organisations) Act 2017 No 65* and the Local Government Act. They provide a way for local councils and the NSW Government to work together to deliver things that matter the most to regional communities. Joint organisations represent a long-term commitment to the development of a shared vision for a region.

The core functions of a JO are:

- Regional strategic planning, including high level planning across the quadruple bottom line
- Intergovernmental collaboration through working closely with the NSW Government, the Commonwealth Government, other councils and other joint organisations
- Regional leadership and advocacy and acting as the regional voice for our councils and communities
- Enhancing strategic capacity by supporting their member councils in delivering services to their communities. Joint organisations may also provide services directly to and on behalf of their members.

Illawarra Shoalhaven Joint Organisation

The ISJO is the umbrella organisation for local government in the Illawarra Shoalhaven Region. The ISJO has four Member Councils: Wollongong City Council, Shellharbour City Council, Kiama Municipal Council and Shoalhaven city Council. These councils are responsible for a land area of 5,656 square kilometres and a population in excess of 430,000. Our region contributes over \$23 billion to the national economy. Within the region 212,000 people are employed here.

The current structure of the ISJO is that Wollondilly Shire Council is an Associate Member of the ISJO. Wollondilly Shire has a population of 61,442 and a Gross Regional Product in excess of \$3.16 billion. Wollondilly are positive contributors to ISJO and their presence adds significant value.

The ISJO was proclaimed in 2018 through the Local Government (Regional Joint Organisations) Proclamation 2018 and has been operating under the provisions of the NSW Local Government Act since that time.

The valuable work undertaken by the ISJO is outlined in the enclosed “2025 Year in Review” report including:

- Development of the Statement of Strategic Regional Priorities 2035
- Regional Project tackling FOGO contamination and capacity challenges
- Natural Hazards snapshot report and assessment of the implications of severe weather events on the local and regional road network

Report of the Chief Executive Officer

12.3 Office of Local Government review of joint organisations (cont)

- Disaster resilience – guidance and building resilience, frameworks, tools, planning and funding
- Installation of multi-hazard monitoring and sensor network
- Circular plastics initiatives
- Supporting councils to deliver EV charging infrastructure
- Progressing the legal panel for procurement
- Shared cyber/information security resource
- Illegal dumping, biosecurity and weed eradication programs.

Item 12.3

Local Government 8 Collaboration

Most recently the ISJO have been collaborating with a broader group of Councils including the following:

1. Camden
2. Wollondilly
3. Wingecarribee
4. Cambelltown
5. Wollongong
6. Shoalhaven
7. Kiama
8. Shellharbour.

This group has met on a few occasions to discuss growth, infrastructure, assets and collaboration. The meetings have been productive and have evidenced a strength in commonalities on key advocacy matters for residents of these areas. This partnership brings together councils from the Illawarra Shoalhaven Region, Macarthur Region and Southern Highlands, a super region of national significance.

The Local Government 8 (LG8) Strategic Partnership will enable local government to work collaboratively with the State and Commonwealth to support nationally significant population, housing and job growth in this wider region.

The LG8 councils are demonstrating a commitment to work together strategically to support our growing communities. This kind of broader thinking and partnership is welcomed and seen as a key strength and as an initiative worth further exploring and supporting into the future.

The history of local government cooperation in our Region:

The Illawarra Shoalhaven Joint Organisation came into being on 1 July 2018 following a three-year period in which our region trialled, in pilot form, the Joint Organisation model.

Prior to 2015 local government in our region worked together under the umbrella of the Southern Councils Group.

Report of the Chief Executive Officer

12.3 Office of Local Government review of joint organisations (cont)

The Southern Councils Group developed from the Illawarra Region of Councils (IROC) which began operation in 1985 and carried on until 2004. Part of the legacy of the Southern Councils Group lives on in the form of the Southern Councils Regional Illegal Dumping Program which is managed by the ISJO and covers Wollondilly, Wingecaribee, Eurobodalla and Bega Valley Council areas as well as the ISJO local government areas.

An even earlier grouping of councils, the Illawarra Regional Organisation (Region 11), commenced in 1975 and operated until 1979.

In all its various incarnations, local government cooperation in our region has had a common theme: that of a voluntary collective of Local Government authorities working together to promote and foster the sustainable development of our region by building on our unique and diverse economic, natural and cultural heritage.

Conclusion

It is evident from its strong history that ISJO and working regionally is of benefit to Council. Amplifying the voices and experiences of local government can assist in advocacy matters, as well as combining the wisdom and experience of the member Council's. Confirming Kiama Council's ongoing commitment to the entity is recommended to Council.

Item 12.3