12 MINUTES OF COMMITTEES

12.1 Minutes: Audit, Risk and Improvement Committee - 26 May 2026

Responsible Director: Strategies and Communities

Attachments

1 Minutes - Audit, Risk and Improvement Committee - 26/05/2026⇩

Enclosures

Nil

RECOMMENDED

That the Minutes of the Audit, Risk and Improvement Committee meeting held on 26 May 2026 be received and noted.

Background

The minutes of the Audit, Risk and Improvement Committee meeting held on 26 May 2026 are attached for Councillors' information.

MINUTES OF THE MEETING OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE

commencing at 1:00 PM on

TUESDAY 26 MAY 2026

Council Chambers, 11 Manning Street, KIAMA NSW 2533

MINUTES OF THE
AUDIT, RISK AND IMPROVEMENT COMMITTEE
HELD IN THE COUNCIL CHAMBERS
ON TUESDAY 26 MAY 2026 AT 1:00 PM

PRESENT:	Mr David Pendleton (Chair) – by Teams Ms Rhonda Wheatley – by Teams Ms Lisa Berwick – by Teams Councillor Melinda Lawton (non-voting)
IN ATTENDANCE:	Joe Gaudiosi – Director Corporate and Commercial Darren Brady – Director Infrastructure and Operations Kimberley Norton – Head of Implementation Renee Winston – Manager People and Culture (by Teams) Jose Diaz – Chief Financial Officer Michael Kharzoo – Director – Financial Audit | NSW Audit Office Eric Nathaniel – Associate Director -Financial Audit | NSW Audit Office William Makdessi – Cyber Risk Lead | InConsult (by Teams)
OBSERVER:	Councillor Cameron McDonald, Mayor

1 APOLOGIES

Jane Stroud - Chief Executive Officer

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

The Chair declared the Audit, Risk and Improvement Committee (ARIC) meeting open and acknowledged the traditional owners.

3 DECLARATIONS OF INTEREST

Member Berwick declared that she has been appointed Chair for the Audit and Risk Committee (Digital Canberra) at ACT Government, and as an independent member of the Audit and Risk Committee fo ACT Justice and Community Services.

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

4.1 Audit, Risk and Improvement Committee on 3 March 2026

26/011ARIC

Resolved that the Minutes of the Audit, Risk and Improvement Committee meeting held on 3 March 2026 and submitted to the Ordinary Council meeting held on 17 March 2026 be received and accepted.

(Members Berwick and Pendleton)

5 BUSINESS ARISING FROM THE MINUTES

Nil.

6 ARIC ACTIONS ARISING

6.1 Actions arising from previous meetings

26/012ARIC

Resolved that the Audit, Risk and Improvement Committee notes the May 2026 report on action items arising from previous meetings.

(Members Berwick and Pendleton)

7 ARIC STANDARD REPORTS

7.1 Internal audit update

26/013ARIC

Resolved that the Audit, Risk and Improvement Committee notes:

1. The progress of the audits according to the strategic internal audit plan.
2. The update on the commenced internal audits.
3. The reviewed and updated Audit, Risk and Improvement Committee Charter.

(Councillors Berwick and Pendleton)

William Makdessi from InConsult presented on the internal audit of Cyber Security:

- The assessment of Kiama Municipal Council (KMC) against the Essential Eight (E8) framework is currently underway and a draft report should be available in two weeks.
- This audit represents a baseline assessment of KMC's current cyber security position and will establish a starting point from which a formal framework and improvement plan can be developed.

- Early indications suggest the findings will provide a sobering assessment, particularly when considered alongside current resource constraints at KMC.
- Comparisons with neighbouring councils (Shellharbour and Shoalhaven) indicate they are further advanced, with more mature evidence of compliance.
- There may be opportunities for KMC to leverage work, tools or approaches from neighbouring councils to accelerate its progress toward compliance.
- This aligns with the intent of the shared CISO model, which aims to deliver efficiencies and consistency across participating councils.
- The final report will prioritise recommendations based on risk management.

William Makdessi left the meeting at 1.11pm.

Michael Kharzoo addressed the meeting, advising that the Audit Office team are currently in-house doing the interim audit, revaluation work is the key focus.

Action: Head of Implementation (HoI) to arrange a report to the next ARIC meeting on the Auditor General's audit assessment on whether the Office of Local Government administered the Local Government Recovery Grants program in line with the Grants Administration Guide and the Program Guideline and if any of the report recommendations have a potential impact on Kiama Council.

Action: HoI to check the wording in the ARIC Charter under the heading Objectives with reference to "assurance" and does this align with the model charter from the Office of Local Government.

Action: HoI to provide to the ARIC a copy of the Internal Audit Strategic Plan that links to the Risk Audit Plan.

Action: Director Corporate and Commerical to provide details to the Committee on the timing of the "cash handling and sundry revenue" audit and an audit on "staff attraction and retention" which is a significant risk for Kiama Council.

- Member Berwick expressed concern that the internal audit plan focussed on the corporate areas and should be recalibrated.
- Noted that the internal audit on performance management has commenced.

7.2 Progress report on implementation of audit recommendations

26/014ARIC

Resolved that the Audit, Risk and Improvement Committee notes the information in the progress report for internal audit recommendations.

(Members Berwick and Pendleton)

- Asset valuations are currently underway and are expected to be completed by 30 June, anticipating all associated reports will be finalised by the end of August 2026.
- It was acknowledged that resourcing constraints are contributing to delays and some extensions to agreed timeframes are considered significantly lengthy.
- Councillor Lawton queried what additional resourcing or funding would be required to deliver within the extended timeframes, particularly high risk recommendations.

Action: HoI to prioritise all outstanding audit recommendation actions and provide an assessment of what can and cannot be realistically delivered within current constraints.

- The Chair noted the target completion dates were previuosly agreed commitments by management and timeframes should be more realistic.
- HoI advised that the recording and reporting of audit recommendations was being moved to TechOne which will include progress updates based on percentage completion rates.

7.3 Annual work plan 2026-27

26/015ARIC

Resolved that the Audit, Risk and Improvement Committee approves the annual work plan for 2026-27.

(Members Berwick and Pendleton)

Action: The Chair and HoI will work on the annual work plan and then circulate to ARIC members.

Councillor McDonald joined the meeting at 1:37pm.

Member Wheatley joined the meeting at 1:43pm.

7.4 Risk Management Report

26/016ARIC

Resolved that the Audit, Risk and Improvement Committee note the update and information in the Risk Report for May 2026.

(Councillors Wheatley and Berwick)

- There was support for a facilitated workshop with councillors, ELT and Committee Chairs to prepare the 2026-27 Strategic Risk Register.
- Noted that the increase in incident reports is due to better reporting with the introduction of the BeSafe program.
- Member Berwick queried financial projections for ILU sales of approximately $7 million and $18 million. DCC advised that this is linked to current vacancies within the village due to a pause needed for fire safety issues and refurbishments.
- Sales projections are included with the Long Term Financial Plan (LTFP) timeframes.
- The LTFP includes five scenarios, one of which specifically addresses the Blue Haven Terralong issue, and aligns with TCorp requirements for financing.

- The Chair asked whether Council's resources and support mechanisms were sufficent for staff pyschosocial hazards and was advised that Council has a number of internal and external services available and incidents recorded in a register.

Action: DCC to establish a timeframe for presenting strategic risks to the ARIC.

7.5 Quarterly Budget Review (QBR3) and Monthly Financial Statement March 2026

26/017ARIC

Resolved that the Audit, Risk and Improvement Committee:

1. Notes the quarterly budget review statement for the quarter ended 31 March 2026, including the recommended changes to operational and capital budgets and updated cash forecast.
2. Requests Management closely review items with capital attributes and identify those requiring inclusion in the financial statement preparation, to support a clearer understanding of the capital program and associated projects.

(Members Wheatley and Berwick)

- The varied Performance Improvement Order has been issued by the Minister in response to Council's position for a balanced budget. Council put forward three levels of bugetary cuts. Level 2 looked at cutting community programs, tourism and events and Level 3 at cutting establishment numbers. Council received an unsolicted proposal for the Kiama Coast Holiday Parks which significantly impacted Counicl's position. The PIO provides an opportunity to work through a number of initiatives (restructure, catalyst sites, holiday parks, revenue streams) to achieve a balanced budget by 2027-28.
- The Long Term Financial Plan includes scenarios for a 20% and a 40% increase in rates.
- Council has a Development Contributions Coordination Group that includes the infrastructure team and meets monthly. Recently Council has used contributions to leverage grant applications. Developer contributions are tracked monthly in the Investment Report to the Council.

7.6 Statement of Investments - April 2026

26/018ARIC

Resolved that the Audit, Risk and Improvement Committee notes the information relating to the Statement of Investments as at 30 April 2026.

(Members Wheatley and Berwick)

- Deeply concerning that Council breached the counter party limit in April. This was a result of a timing issue and was reported to the Council. The Chair stated this should not have happened and should have been managed.

Action: DCC to discuss with Arlo and investigate the breach of the counter party limit and report back to the ARIC.

- Member Wheatley queried when reserves would be repaid and was advised that there was no set timeframe and that Council would be reviewing the purpose and balances in the reserves policy by year end.

7.7 Cyber Security Update

26/019ARIC

Resolved that the Audit, Risk and Improvement Committee note the Council's current state of compliance with Essential 8 requirements and its progress towards achieving Maturity Level 1.

(Members Wheatley and Berwick)

- The Chair expressed concern that patching was not prioritised and the DCC advised that he would ask the team to direct efforts and resourcing to this.
- Looking to meeting maturity level 1 of the Essential 8 by June 2028.
- The cyber security audit being undertaken by InConsult will provide further information on Council's capacity to comply with the Essential 8 and associated risks.

Action: DCC to include a report to each ARIC meeting providing an update on cyber security and compliance with the Essential 8 requirements due to the significance of this matter.

S.1 Review of Asset Useful Life and Depreciation Expense

26/020ARIC

Resolved that the Audit, Risk and Improvement Committee:

1. Note the information and review of the useful lives of Transport (Road) assets.
2. Note the changes to the useful lives of Transport (Road) assets and the resulting impact on depreciation expense.
3. Support the review and the report being shared with the auditors as a position paper justifying the change.

(Members Wheatley and Berwick)

- Council is currently applying conservative useful life assumptions, primarily relating to road assets.

- A review has been undertaken by the asset team, including benchmarking against peer councils.
- Benchmarking indicates Council is generally on the conservative side, however this must be considered alongside maintenance investment across the asset lifecycle.
- A move toward a more standardised, consistent methodology is recommended for adoption this year and the auditors will undertake a more detailed review of this approach and supporting assumptions.
- The revised position is supported by the Asset Management Plan review.
- It was noted that depreciation outcomes should not drive assumptions, rather the objective should be to accurately reflect the true useful life of assets.

8 REPORTS FOR INFORMATION

The following reports were provided for the Committee's information:

8.1 Performance Improvement Order update – May 2026

- Council is holding an extraordinary meeting on 27 May to accept the notice of intention and approve the submission to be sent to the Office of Local Government.

8.2 Service review: Legal Services

- Review highly recommended in-house counsel however Kiama is working with ISJO on providing this service similar to the internal audit model.
- The Chair commented that the numbers were compelling and in-house advice at a low level would not be a substitute for specialist legal advice when required.
- Some of the findings have already been corrected eg reporting in TechOne.
- Most recommendation timeframes are 3-6 mnths however in-house Counsel is expected to take longer. It is on the agenda for the next ISJO meeting.

Councillor McDonald left the meeting at 3.06pm.

9 GENERAL BUSINESS

The Chair thanked the staff for their ongoing hard work and the quality of the reports.

10 CLOSURE

There being no further business the meeting closed at 3.08pm.

These Minutes were confirmed at the Ordinary Meeting of Council held on 16 June 2026.

……………………………
Chair

12.2 Minutes: Tourism and Economic Advisory Committee - 21 May 2026

Responsible Director: Strategies and Communities

Attachments

1 Minutes - Tourism and Economic Advisory Committee - 21/05/2026⇩

Enclosures

Nil

RECOMMENDED

That the Minutes of the Tourism and Economic Advisory Committee meeting held on 21 May 2026 be received and noted.

Background

The minutes of the Tourism and Economic Advisory Committee meeting held on 21 May 2026 are attached for Councillors' information.

KIAMA MUNICIPAL COUNCIL

MINUTES OF THE TOURISM & ECONOMIC ADVISORY COMMITTEE MEETING

commencing at 4:00 PM on

THURSDAY 21 MAY 2026

Council Chambers, 11 Manning Street, KIAMA NSW 2533

MINUTES OF THE TOURISM AND ECONOMIC ADVISORY COMMITTEE 21 MAY 2026

MINUTES OF THE
TOURISM AND ECONOMIC ADVISORY COMMITTEE
HELD AT KIAMA MUNICIPAL COUNCIL
ON THURSDAY 21 MAY 2026 AT 4:00 PM

PRESENT: Councillor Matt Brown (Chair), Councillor Yasmin Tatrai, Craig Hardy, Suzanne Mansfield, Tom Abood (online) and Anne-Marie Esler.

ATTENDEES: Sally Bursell – Manager Tourism and Events.
Ed Paterson – Director Strategies and Communities.
Jane Stroud – CEO (from 4pm to 4.25pm).

1 APOLOGIES

Apology

26/014TEAC

Resolved that the apology tendered from Simon Smith be accepted and the leave of absence granted

(Member Mansfield and Councillor Tatrai)

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

The Chair declared the meeting open and acknowledged the traditional owners:

"I would like to acknowledge the traditional owners of the Land on which we meet, the Wadi Wadi people of the Dharawal nation, and pay my respect to Elders past and present."

3 DECLARATIONS OF INTEREST

Nil

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

4.1 Tourism and Economic Advisory Committee Minutes: 26 March 2026

26/015TEAC

Committee Recommendation that the Minutes of the Tourism and Economic Advisory Committee meeting held on 26 March 2026 be received and accepted.

(Members Mansfield and Hardy)

5 BUSINESS ARISING FROM THE MINUTES

Nil

6 REPORT OF THE MANAGER TOURISM AND EVENTS

Item 6.6 was brought forward as Council's CEO, Jane Stroud, attended the meeting and spoke on the Item.

6.6 Economic Development Update

26/016TEAC

Resolved that TEAC:

1. Note the update provided in this report.
2. Accept the CEO's report (as attached to the Minutes) on the Employment Land Strategy (ELS) and accept the suggestion by the CEO that staff and TEAC consider a site visit to Byron Bay to explore their industrial use area and their strategy which underpins it.

(Members Hardy and Esler)

Discussion Points:

- The CEO advised that she conducted a 'boots-on-the-ground' audit of local businesses, which highlighted a long-standing need for additional space to support business growth and job creation. While the Employment Lands Strategy (ELS) represents a positive step forward, further work is required to ensure provision for industrial, retail and commercial uses across Kiama and Gerringong. She noted that the 3-hectare opportunity at Bombo is up to a decade away, meaning there is currently limited capacity to accommodate business growth in the short to medium term (1-5 years).

- The CEO also spoke of the proposed market sounding for the Council land on Manning Street.
- Councillor Tatrai asked about the Akuna Street site. The CEO and Director spoke of opportunities for alterations to the LEP to assist with influencing growth in commercial space.
- It was suggested that industrial areas do not need to be visually unappealing, with Byron Bay identified as a useful benchmark due to its similar scale and approach.
- The Chair acknowledged the value of the audit and noted constraints in Brown Street and Gerringong due to limited availability of larger sites, supporting the need for economic diversification.
- Sally stated that in the report there is a need for places for young people to work here.
- Member Ann-Marie stated that the Director had a meeting with KBN and many members showed interested in the ELS. Later in the week a meeting occurred with Member for Kiama, Katelin McInerney along with the Small Business Commissioner, where people raised concerns and interest about progress and delivery.

At 4:25pm the CEO left the meeting.

6.1 Post Event Reports - Destination Event Funding

26/017TEAC

Committee Recommendation that TEAC:

1. Receive and note the Post Event Reports attached to this report.
2. Note the variance between the Surf Life Music Festival funding application and the delivered outcome.

(Members Hardy and Mansfield)

Discussion Points:

- Sally provided an overview of the three post-event reports received from THAT Skate Park Music Festival, Kiama Sevens Rugby and Surf Life Music Festival.
- It was noted that the Surf Life Music Festival was delivered as a one-day event rather than the two days outlined in the original application, due to lower than anticipated ticket sales.
- Attendance and budget outcomes were also significantly reduced (3,500 projected over two days vs 273 actual attendees over one day; $41,000 projected budget vs $17,000 actual budget).
- The Committee acknowledged the challenging environment for event delivery at present, including softer demand and rising costs.

- It was agreed that a letter be sent to the event organisers, noting the importance of maintaining communication in line with grant requirements. In particular, any significant changes to event scope or delivery (such as a reduction in event duration) should be communicated to Council in advance to ensure alignment with program objectives.

6.2 Kiama Night-time Economy Strategy

26/018TEAC

Committee Recommendation that TEAC review the draft Focus Areas of the Night-Time Economy Strategy and provide any feedback or input it wishes to inform the ongoing development of the Strategy.

(Member Hardy and Councillor Tatrai)

Discussion Points:

- A survey (100+ responses) and engagement with local businesses and key stakeholders informed the first draft that was received this week.
- Kiama High School students are currently being engaged and feedback will be added.
- Key findings included:
    - Low perceived vibrancy.
    - Strong demand for more diverse night-time offerings.
    - Significant economic leakage to other LGAs.
    - Demand for live music, dining, markets, arts and cultural experiences, and extended trading hours.
    - Preference for early evening activation (3–10pm).
    - Interest in non-alcohol-focused experiences.
    - Minor improvements suggested for lighting and safety.
- Preferred locations for a Special Entertainment Precinct boundary include Terralong Street, Hindmarsh Park and the harbour foreshore.
- The Chair noted that participation from at least six businesses would be required for a Special Entertainment Precinct.
- A discussion was held on the limited traditional accommodation stock, alongside strong uptake of short-term rentals. It was observed that these options often provide more self-contained, comfortable living arrangements, enabling visitors to stay in and order groceries, which can reduce spending in local hospitality venues compared with hotel stays where guests are more likely to dine out.
- The draft Strategy will be circulated to members for feedback before it goes before Council at their June 2026 meeting.

MINUTES OF THE TOURISM AND ECONOMIC ADVISORY COMMITTEE 21 MAY 2026

6.3 Visitation Statistics - Kiama LGA Update

26/019TEAC

Committee recommendation that TEAC note this report for information.

(Members Hardy and Mansfield)

Discussion Points:

- Sally summarised the report with a snapshot of recent tourism visitation and spending trends for the Kiama LGA and surrounds.
- Member Anne-Marie from the KBN reported increased concern among businesses heading into winter, with rising costs and anticipated declines in visitation and revenue.

6.4 Activation Old School Flat Kiama - Expression of Interest

26/020TEAC

Resolved that TEAC:

1. Provide strategic advice on the future vision for Christmas / New Year use of Old School Flat.
2. Identify key principles and outcomes Council should seek for activation of this site.
3. Note that TEAC's advice will be included in the future Expression of Interest, being prepared by staff.

(Member Esler and Councillor Tatrai)

Discussion Points:

- The Chair noted that he has received a range of positive feedback from both residents and visitors regarding the sculpture installations at Old School Flat.
- Discussion acknowledged the long-standing presence of the carnival on the site; however, with the previous development consent expired and only a short-term licence in place, an opportunity now exists to reconsider the best use of the site during the peak summer period.
- It was suggested that an Expression of Interest (EOI) process remain open to a range of activation options, rather than pre-determining a single use.
- Alternative concepts were discussed, including arts and cultural activations such as a Spiegel tent or curated programming, with the view that these may offer a different type of visitor experience.

- It was also noted that the carnival remains popular, particularly in association with the New Year's Eve fireworks.
- The Chair expressed support for proceeding with an EOI process, noting both the opportunities and challenges associated with activating the site, including the importance of creating a welcoming and vibrant space.
- It was further noted that future activation should consider opportunities for both daytime and evening use to maximise community and visitor engagement.

6.5 Business Case - Kiama NYE Event

26/021TEAC

Committee recommendation that TEAC note the attached Kiama New Year's Eve Event Business Case Executive Summary for information.

(Members Mansfield and Hardy)

Discussion Points:

- Sally advised at the last meeting that consultants were compiling a business case regarding a NYE event. The business case has since been completed and was provided to Council however no comments were received.
- The business case considered a range of options and noted the popularity of the Kiama NYE Sky Show that Council has run in the past.
- The resultant short-list is as follows:

  Option 1

  A scaled back Council-led event. This option proposes to promote extended permits across all main streets to allow for alfresco dining and licensing to optimise the 2am licensing extension.

  - It also includes Council-led marketing and promotion to encourage people to support their local businesses
  - Acoustic live music entertainment at the existing stage at Hindmarsh Park.
  - Blankets, seats and tables for the community to enjoy at Hindmarsh Park.

  Option 2

  This option proposes Council extending permits as per option 1 and delivering a community grant program where an amount is allocated for community organisations to deliver events on 31 December each year.

  - The total funding envelope can be adjusted under different budget scenarios, and Council is only administering the grant program, not directly delivering an event.

- Council would have a high degree of control over which activities would be eligible for funding and which ones wouldn't be, and community organisations would need to demonstrate that they have capacity and capability to deliver their event.

Option 3

This option proposes to reinstate the NYE Sky Show as it was delivered in 2024.

The base case used in the analysis was a scenario where no investment is provided by Council at all for new year's eve activations. This is what happened in 2025, providing an excellent case study for the base case.

The Chair mentioned that TEAC had deliberated on this topic previously and determined that the Sky Show provided incredible social value to the community and the recommendation was to reinstate it. It now becomes a question for budget preparation. Further, TEAC stands by its the view that it should occur and it should be done properly.

7 REPORTS FOR INFORMATION

26/022TEAC

Resolved that the following Reports for Information listed for the Council's consideration be received and noted.

7.1 Destination Kiama Partnership - Update by member Suzanne Mansfield.

(Councillor Tatrai and Member Esler)

Discussion Points:

- Member Sue gave an overview her report:
  - After visiting numerous businesses she noted that they reported a strong Easter period with people spending locally (maybe due to fuel prices leading them not wishing to travel too far).
  - Businesses are not happy about recent information received last Friday in the form of a letter, that council is exiting commercial waste, meaning that some would have to arrange their own collection at their expense when previously the landlord would pay through rates.

- Sally noted that she had received some clarification on this from the Waste Manager that might need to be communicated more broadly:

  Commercial Waste & Recycling services will cease from 1 July 2026. Currently, services are delivered through two models: a rates-based service (providing a standard allocation, typically 1 red and 1 yellow bin per week or 1 red weekly and 1 yellow fortnightly), and a user-pays system where businesses are invoiced monthly for additional bin lifts. Some businesses use a combination of both where their waste needs exceed the standard allocation.

  With the cessation of the service, responsibility for waste and recycling will shift to private arrangements. This will require landlords and tenants to clarify roles and cost responsibilities, potentially through lease discussions or renegotiation. In most cases, responsibility will sit with the business operator unless otherwise agreed, though some landlords may choose to coordinate services on behalf of tenants.

8 GENERAL BUSINESS

NIL.

9 CLOSURE

There being no further business the meeting closed at 5.14pm.

These Minutes were confirmed at the Ordinary Meeting of Council held on 30 June 2026

……………………………
Chair

KIAMA MUNICIPAL COUNCIL
your council, your community

TEAC Minutes - Attachment

CEO Feedback on draft Employment Lands Strategy

Background

Having recently met with over 20 local businesses personally and visually inspected every industrial complex, and employment centre in each of the Local Government Area's (LGA's) towns I have had the opportunity to reflect on the draft Employment Lands Strategy (ELS). I offer my feedback on this experience and on the draft strategy as a tool to help improve its next iteration. I also conducted a desktop comparison between four (4) other LGA's of similar and larger size to our own and their planning instruments, strategies, and available land for employment.

The public debate has centred wrongly around one block of land – the debate needs to be more robust and genuine about working land, employment land, commercial spaces, retail and actual business needs and issues.

Many local businesses shared stories of leaving Kiama's LGA due to lack of suitable space, lack of availability of either commercial or industrial space. Some left due to rents being too unaffordable and landlords unreasonable. Firms of a mid-size all reported having nowhere to grow their business next and a dire need for commercial space in all towns and centres. All would have preferred to stay in Kiama if there were suitable sites.

Local investors who are expanding discussed the value of their investment and the need to ensure that politically, council supports local business and industry.

Less than ideal urban centre historic development decisions have given priority to retirement village communities which have impacted vibrancy / main street activity / tourist offering of the town centres. Valuable harbour, main street sites have been taken up by seniors' living where there is higher order use that could have occurred.

Vision & Economic Development Strategy

The current CSP does not have a clear vision for economic development. It is noted that Councillors and Council's Tourism & Economic Advisory Committee workshopped an economic development vision for the LGA.

Currently, Kiama Municipal Council (KMC) does not have a broader Economic Development Strategy for the LGA. This results in a lack of strategy and direction / goals for the individual employment sector. For example, Byron Bay Shire Council has a strategy for economic development, a vision for each industrial estate and economic development team centred on attraction, retention of local business and targeted deliberate curation of businesses into the area. Then they measure and set KPI's for performance / productivity for each industrial space and design their attraction and retention strategies against existing occupancy. Kiama has never invested heavily either financially or human resource wise in economic development and should consider a regional approach to resourcing this area. There is an opportunity for Council's Tourism & Economic Advisory Committee (TEAC) to play a more active role in economic development advice and for half yearly structured conversations with the Kiama Business Network and other business focused entities so that KMC can hear more regularly about issues impacting local businesses.

All land in the LGA is a finite resource. The reality is that all business and residential development trying to squash in to staying "east of the highway" is becoming increasingly challenging to sustain. Generally speaking, brownfield sites on the eastern side for new employment land are not available – it is therefore logical to anticipate that Council will need to have a mature conversation with the community about opportunities for development west of the highway and greenfield sites for the future. Employment is just as important as housing and our community must find a balance – the future cannot be based on forcing residents or people to drive away for work, for jobs, or to drive in, protecting only those who were lucky enough to have purchased first.

It is noted that Council is currently developing this Employment Lands Strategy as well as a draft Visitor Economy Strategy and draft Night-Time Economy Strategy. These strategies could form the basis of a broader Economic Development Strategy for the LGA.

Recommendations

1. Both the draft 2026/27 Operational Plan and the final Employment Lands Strategy could be improved by incorporating this vision.
2. The final Employment Lands, Visitor Economy and Night-Time Economy strategies could be improved by noting their interrelationship and that in the coming years they will be consolidated to form an Economic Development Strategy for the LGA.

Industrial Lands

The LGA's current stagnant population growth rate and average age of the existing aged population means that a large percentage cohort of community is retired, or beyond active full-time employment and does not necessarily require employment lands. Employment containment should be a priority for council and part of the legacy that is left for future generations. Local governments have a responsibility to plan and create a community where residents and visitors can live, work and recreate. Assumptions and lack of planning / provision of employment land in previous years has created a situation where there is currently insufficient employment lands to meet demand. Having the majority of our workers need to journey away from the LGA for employment is not sustainable for our community now or into the future. This creates a risk of becoming a dormitory suburb. When coupled with the lack of housing affordability and employment options locally, it results in a situation where workers that support tourism, industry, health, schooling etc all have to drive or train into the LGA for work. Many tourist towns around Australia have experienced these issues eg Noosa, Byron Bay, and have had to put in place course correcting strategies to address this situation. Council's staff own worker profile highlights this issue with many in the workforce driving in to work, living outside the LGA and adds pressure daily to parking demands. It also means that the spend leaves our LGA, as retail shopping and manufacturing or industrial expenditure drives either north or south and is not captured locally. This leaked expenditure has a deleterious impact on our local economy and its resilience to withstand economic shocks such as covid.

The introduction of bypasses in the LGA has resulted in many of the LGA's industrial sites being now located within residential areas. They exist almost as industrial apologies now, alongside and hard up against very valuable residential properties. Often creating inadvertent noise, traffic and clash of land uses that for the most part are tolerated but which does have the enduring potential for neighbourhood disputes / tensions. The future of these sites is challenging, the owners in some cases need to invest in site improvements, would like to grow but are ham strung by a lack of suitable alternative locations to relocate to, or by environmental constraints. Many local businesses described the challenge of "outgrowing their site but being stuck as there is nowhere else to go".

The existing industrial estates are very full, predominantly single story or with a mezzanine level. From a visual inspection it appears that many are occupied by builders storage and are not used for manufacturing or where they are, they are in very tight spaces, with little suitable airflow, circulation, parking or onsite amenities such as waste collection / storage and shelving. Materials are often stacked in common areas or in public road reserves or creek beds. Often the business model has had to adapt and be contained / limited to suit the site. As the site cannot accommodate more work / staff / storage / construction space the business model then has to contract to only operate within those confines. This situation is counter intuitive to operating a viable business in an environment of rising costs. Ultimately this has the effect that higher costs per item produced are passed on to the consumer – again which drives a situation where a local would then choose to drive out of the LGA to obtain the services / good / product they need as its cheaper up or down the road. This leakage of spend and removal of local trade again impacts on local economy and opportunities for businesses to stay within the LGA and thrive.

Many businesses reported that they would love to take on more young people, more staff, more trainees etc but cannot due to space constraints at their site, or operating hours constraints.

Some industrial sites have evolved over the space of time and are affected by flooding and urban creep / residential pressure. The importance of neighbourhood amenity and having good relationships with neighbouring properties is overly burdensome and has the effect of limiting trade hours. A business that cannot trade to its full potential, either through outdated local planning instruments that curtail days / hours / movements or due to concerns of complaints from neighbours – cannot remain viable and sustainable in an environment where businesses would like to trade 7 days a week. This adds to a feeling of pressure that many local business owners expressed, a constant worry about who will complain, rising costs, high rents, when will council get involved from compliance stance and what is the future of their business. Many conveyed a sense of helplessness and anger towards Council's inability to properly understand their issues, what they contribute to the local economy and give back to community either through sponsorship, donation, employment and rates.

There are houses within industrial areas that are being counted in the employment land quota but are not contributing to employment opportunities. Noting that this is consistent with NSW Government monitoring of employment lands, it may now be time for KMC to consider rezoning these areas to residential given the underlying land values and the continuing land use conflicts.

Almost all businesses spoke openly about frustration with the planning process, lack of supply of site, long wait times for suitable sites, no future prospects for sites, no vision from council about their needs or growth and a lack of understanding from council about how best to support industry and business. Many shared stories of combative and less than helpful exchanges with Council, overly expensive planning and too much regulation, slow approvals (which adds development costs) and restrictions on their ability to trade. Many conveyed a feeling of "having to jump through hoops, shifting goal posts, and inconsistent advice". All spoke about wanting clear, consistent, open communication with planners and regulatory staff so that they could understand and comply with required rules or approvals. Many spoke about the need for politicians to better support their businesses, a need for open mindsets, and a vision for a community that has employment opportunities just as important as tourism.

The notion / perception that all industrial land is heavy dirty, visually polluting industry is likewise not accurate and needs to be corrected. Examples of more nuanced and better-defined industrial space exists in Australia and should be cited as case studies. Byron Shire Council has well designed, large and complex industrial sites each with their own defined vision, unique blend of businesses within and site-specific growth plans. Our draft document does not get to this level of detail and would benefit from this level of detail. Their industrial centres, also contain innovation precincts and maker spaces – many of which are visually high-end developments where industry and retail coexist to support a diverse economy in a high tourist area. Appropriate landscaping and quality urban design have ensured that the industrial spaces are visually aesthetic but still capable of providing spaces for manufacturing and creation of goods.

The draft ELS, rightly so, seeks for future employment lands to be located within the Bombo Quarry precinct. Without actual clarity of the exact timing for closure of the Quarry, the long lead time for fill and remediation works will mean that this the delivery of employment lands within the Quarry could be a very far-off long-term prospect. It is noted that Bombo Quarry forms part of the Kiama Urban Expansion Area as identified by Council endorsed Local Housing Strategy (LHS). While the LHS is a 20-year Strategy, it does acknowledge that it is unlikely for all the housing opportunities identified to be delivered/realised within the 20-year timeframe. The draft ELS is also a 20-year Strategy

The draft ELS is established on a precinct by precinct basis and uses takes a 'minimum requirement' approach. Good strategic plans for communities should have vision that drives the future outcomes in short-, medium- and longer-term horizons.

Recommendations

3. It is recommended that TEAC and key staff visit modern industrial parks, complete a visual inspection and explore these urban / industrial outcomes.
4. The final Employment Lands Strategy could be improved by identifying existing industrially zoned lands that are no longer suitable for industrial purposes and identify alternative, more appropriate zonings
5. The final Employment Lands Strategy could be improved by identifying a broader quantum and range of employment lands to encourage more working aged peoples to the LGA.
6. The final Employment Lands Strategy could be improved by identifying specific amendments to the *Kiama Local Environmental Plan (LEP) 2011* and/or Kiama Development Control Plan (DCP) 2020 to ensure that future industrial development is consistent with the economic vision for the LGA

Commercial and Retail Lands

The lack of employment land for commercial and retail has also created a main street that is heavily tourist focused with a singular market in mind. This does not cater to households, local families, or solo households who live locally. For example, should a resident need school shoes (a basic need) for their child there is nowhere in the LGA to purchase them, you would need to drive out and spend those monies elsewhere.

Likewise, white goods for homes must be purchased outside the LGA. One needs to only count the number of op-shops in the main streets that take up valuable retail land with low value offering. Or consider the proliferation of medical and health related services occupying valuable ground level retail. Kiama's west end precinct contains dentists, ophthalmologist, imaging, doctors, chemists and health related services. Whilst such businesses are required to support the community they could be better suited to level 2 or 3 of commercial spaces where rents are lower per square metre.

It is also noted that health services are the first to bleed (vacate) into adjacent streets and occupy residential homes. Purchasing residential properties and converting them to commercial is cheaper than paying ground floor rent per square metre with main street frontage, and provides an opportunity to remove rents to landlords, but is has the effect of dispersing commercial and wasting residential homes that could provide much needed housing. This situation is not representative of a diverse and robust economy. In reality it indicates shallowness of built product offering, incorrect retail mix and a lack of suitable commercial space for employment related services. This situation is not unique to Kiama, it is replicated in Jamberoo and to a lesser extent in Gerringong's main street.

The current LEP permits shop top housing in all commercial areas. This, in effect, prioritises residential yield and profit to the developer rather than a robust more nuanced strategy to create hubs for employment, ground floor retail, and levels 3, 4, 5, 6 in the town centre as residential product. The current LEP and its prevailing shop top broadbrush approach to "shop top living" has delivered an inferior product in the town centres and has resulted in two things.

1. Contested Development Applications with competing land use of residential and commercial/retail hard on top of each.
2. An acute missing middle of commercial space – where small to medium sized businesses could be located.

This has the combined effect of causing inactive street frontages, where retail or tourist product offering should be located with high foot traffic and visibility. Also, it has the effect of these businesses needing to leave town to find suitable sized premises, or in some cases it has resulted in office occupying prime retail ground floor retail spaces for commercial use. This tends to impact the potential vibrancy of the main frames of the towns, whilst undermining the tourism industry offerings which are the LGA's largest employer.

Recommendations

7. The final Employment Lands Strategy could be improved by clearly articulating amendments to the Kiama LEP 2011 and/or Kiama DCP 2020 that would encourage/facilitate first and or second floor commercial opportunities thereby strengthening the role of the main street.
8. The final Employment Lands Strategy could be improved by clearly articulating amendments to the Kiama LEP 2011 and/or Kiama DCP 2020 that would facilitate the desired future character of the various sections of the Kiama main street as included in the Kiama Town Centre Plan. This includes consolidation of the main street of Kiama and ensuring that the west end precinct as it extends to Council's parcels at Terralong are converted to commercial with mixed residential on upper floors.
9. The final Employment Lands Strategy could be improved by recognising the significant contribution that Council's landholdings, both in Gerringong and Kiama, have to economic development. These sites provide a chance to provide commercial opportunities and to activate and enliven the main streets.
10. The final Employment Lands Strategy could be improved by considering and evaluating the role of the NSW Government's Housing Delivery Authority in heights etc. within the main streets.

Alternative Employment Sites

There are large business already operating as employment centres that are on land which is not categorised correctly eg Jamberoo Action Park is on agricultural land, the Mercure in Gerringong is the same. It is encouraging that the draft ELS seeks to address these anomalies.

Recommendations

11. To reinforce the relationship with the draft Visitor Economy Strategy (VES) the final ELS should:
    a. acknowledge the opportunities for traditional visitor accommodation in Kiama,
    b. reaffirm the VES action to undertake an audit and analysis of visitor accommodation in the LGA, and
    c. explore opportunities, via the Illawarra-Shoalhaven Joint Organisation, to coordinate this regionally.

Conclusion

Lack of supply and suitable sites has had the effect of making the cost of renting existing industrial / employment land sites incredibly expensive per square metre and landlord controlled. Businesses spoke about “sky high rents with landlords that who can charge through the roof, because there is nowhere else to go”. Businesses also conveyed the lack of investment from landlords in their sites and a need for improved amenities, car parking and upgraded spaces, or usual lease terms that are either too short, or have demolition clauses which devalues the business. Local real estate communicated that demand for industrial and commercial is very strong and there are long waiting lists and many registered interests. It was noted that there is a shortage of supply.

Council has a role to play in facilitating the development and supply of employment land, our attitudes towards this type of land use, the developer experience of advice and obtaining planning approval also need to be taken into account.

Is it acknowledged that the delivery of new employment lands takes time. It can take several years to rezone, obtain the necessary approvals and construct employment precincts. The final ELS should consider opportunities for ‘quick win’ solutions for the supply of employment land.