

13 REPORT OF THE CHIEF EXECUTIVE OFFICER

13.1 Oath or Affirmation of Office by Councillor Stanley Jarrett

CSP Objective: Outcome 5.2: Governance is transparent and builds trust

CSP Strategy: 5.2.1 Build strong relationships and ensure our partners and community share the responsibilities and benefits of putting plans into practice.

Delivery Program: 5.2.1.2 Support good governance through systems and processes for legislative compliance.

Item 13.1

Summary

This report advises of the procedure for the taking of the oath or affirmation of office by Councillor Stanley Jarrett.

Financial implications

Not applicable.

Risk implications

Failure of a Councillor to take the oath or affirmation of office would mean they are not entitled to attend council meetings.

Policy

Local Government Act 1993 and Regulations.

Consultation (internal)

N/A

Communication/Community engagement

N/A

Attachments

- 1 Councillor oath [↓](#)
- 2 Councillor affirmation of office [↓](#)

Enclosures

Nil

RECOMMENDATION

That Councillor Stanley Jarrett takes an oath or affirmation of office.

BACKGROUND

Section 233A of the *Local Government Act 1993* requires that a Councillor must take an oath of office or make an affirmation of office at or before the first meeting of the Council after the Councillor is elected.

Report of the Chief Executive Officer

13.1 Oath or Affirmation of Office by Councillor Stanley Jarrett (cont)

The oath or affirmation may be taken or made before the Chief Executive Officer of the Council, an Australian legal practitioner or a Justice of the Peace and is to be in the attached form.

A Councillor who fails without a reasonable excuse to take the oath of office or make an affirmation of office is not entitled to attend a meeting as a Councillor (other than the first meeting of the Council after the Councillor is elected to the office or a meeting at which the Councillor takes the oath or makes the affirmation) until the Councillor has taken the oath or made the affirmation.

Any absence of a Councillor from an ordinary meeting of the Council that the Councillor is not entitled to attend is taken to be an absence without prior leave of the Council.

Item 13.1



Councillor oath

“I, Stanley Jarrett, swear that I will undertake the duties of the office of councillor in the best interests of the people of the Municipality of Kiama and the Kiama Municipal Council and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the *Local Government Act 1993* or any other Act to the best of my ability and judgment.”



Councillor affirmation of office

“I, Stanley Jarrett, solemnly and sincerely declare and affirm that I will undertake the duties of the office of councillor in the best interests of the people of the Municipality of Kiama and the Kiama Municipal Council and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the *Local Government Act 1993* or any other Act to the best of my ability and judgment.”

13.2 Mid-term election of Mayor

CSP Objective: Outcome 4.2: Our governance is transparent and trusted, supported by the right structures, technology and processes to effectively serve the community.

CSP Strategy: 4.2.2 Communicate transparently to inform, build trust and respect.

Delivery Program: 4.2.2.4 Effectively communicate the projects, plans, actions and outcomes of Council (and relevant government departments) to inform our community in a timely and accessible way.

Item 13.2

Summary

This report advises the preferred method of voting and the procedure for the mid-term election of the Mayor.

Financial implications

N/A

Risk implications

Pursuant to Section 225 of the *Local Government Act 1993*, Council is required to have a Mayor. Failure to properly elect a Mayor may expose Council to risks relating to the validity of decisions, community confidence in Council's governance arrangements, and the orderly conduct of Council business.

Policy

Local Government Act 1993.

Schedule 7 Local Government (General) Regulation 2021.

Consultation (internal)

N/A

Communication/Community engagement

N/A

Attachments

- 1 Preferred method of voting - Tally sheet [↓](#)

Enclosures

Nil

RECOMMENDATION

That Council:

1. Resolve the form of election will be by ordinary ballot.
2. Receive written nominations for the Office of Mayor for a period of two (2) years to September 2028.
3. Thereafter, proceed with the election of the Mayor.

Report of the Chief Executive Officer

13.2 Mid-term election of Mayor (cont)

4. Declare the outcome of the election at the meeting.
5. Send the results to the Secretary and Chief Executive Officer of Local Government NSW.

Background

Under the *Local Government Act 1993* (the Act), Mayors elected by Councillors hold office for 2 years. Under section 290(1)(b), Councils that elect their mayors must hold a mid-term mayoral election in September 2026. The Mayor elected at the mid-term Mayoral election will hold office until the election in September 2028.

Schedule 7 of the *Local Government (General) Regulation 2021* (the Regulation) sets out the procedures for the election of a Mayor by Councillors. Pursuant to Schedule 7 Part 1(1) of the Regulation, the CEO has appointed the Public Officer as Returning Officer for the mid-term election.

In the lead up to this Meeting, a form was circulated to Councillors requesting they indicate their preferred method of voting for the mid-term elections. The options were –

- Open voting - the most transparent method of voting. It is also the least bureaucratic method and reflects normal council voting methods ie: the raising of hands.
- Ordinary ballot - A vote conducted using ballot papers, with each councillor casting one vote by placing an “X” against the candidate of the Councillor’s choice. The ballots are then counted to determine the outcome.
- Preferential ballot - A vote conducted using ballot papers, where each councillor ranks the candidates in order of preference by placing 1, 2 etc against the candidates of the Councillor’s choice. Votes are counted according to those preferences until a result is determined.

The Returning Officer received 6 forms, 5 indicating that Ordinary Ballot was the preferred voting method. As this was the majority of votes, a recommendation to that effect has been incorporated into this Council Report.

A nomination form for the position of Mayor was also prepared and circulated to Councillors. Two (2) nomination forms were submitted to the Returning Officer and an opportunity will be given at the meeting for any further nominations.

As more than one Councillor has been nominated, the legislated process as described in Schedule 7 will be followed.



TALLY SHEET

PREFERRED METHOD OF VOTING

Mid-term Election – September 2026

OPEN VOTING		
ORDINARY BALLOT		5
PREFERENTIAL BALLOT	I	1

☐ Councillor Matt Brown	☒ Councillor Cameron McDonald
☐ Councillor Imogen Draisma	☒ Councillor Melissa Matters
☒ Councillor Stuart Larkins	☒ Councillor Yasmin Tatrai
☒ Councillor Melinda Lawton	☒ Councillor Erica Warren

13.3 Mid-term election of Deputy Mayor

CSP Objective: Outcome 4.2: Our governance is transparent and trusted, supported by the right structures, technology and processes to effectively serve the community.

CSP Strategy: 4.2.2 Communicate transparently to inform, build trust and respect.

Delivery Program: 4.2.2.4 Effectively communicate the projects, plans, actions and outcomes of Council (and relevant government departments) to inform our community in a timely and accessible way.

Item 13.3

Summary

This report advises the procedure for the mid-term election of the Deputy Mayor.

Financial implications

Not applicable.

Risk implications

If a Deputy Mayor is not elected, Council may have increased governance, continuity and operational risks in circumstances where the Mayor is unavailable, unable to act due to illness or absence, or where a casual vacancy arises in the office of Mayor. In those situations, there may be no immediately appointed Councillor able to exercise the functions of the Mayor when required, potentially affecting the timely conduct of meetings, decision-making, representation and other Mayoral responsibilities.

Policy

Local Government Act 1993

Schedule 7 of the Local Government (General) Regulation 2021

Consultation (internal)

N/A

Communication/Community engagement

N/A

Attachments

Nil

Enclosures

Nil

RECOMMENDATION

That Council:

1. Proceed with the election of a Deputy Mayor to be conducted in the same manner as that which applied to the election of the Mayor.
2. Receive written nominations for the Office of Deputy Mayor for a period of two (2) years to September 2028 or for a shorter term if so resolved.

Report of the Chief Executive Officer

13.3 Mid-term election of Deputy Mayor (cont)

3. Declare the outcome of the election at the meeting.
4. Send the results to the Secretary and Chief Executive Officer of Local Government NSW.

Background

Section 231 of the *Local Government Act 1993* (the Act) provides that Council may elect one of its members as the Deputy Mayor for the Mayoral term or for a shorter term if so resolved.

The Deputy Mayor may act in the Office of the Mayor at the Mayor's request or during such time (if any) as the Mayor is prevented by absence, or during such time as a casual vacancy exists in the Office of Mayor.

While acting in place of the Mayor, the Deputy Mayor may exercise any function of that office. Section 249(5) of the Act provides that Council may pay a fee to the Deputy Mayor where that person acts in the Office of Mayor. Any such fee must be approved and determined by Council and is deducted from the Mayor's annual fee.

A nomination form for the position of Deputy Mayor was prepared and circulated to Councillors. Two (2) nomination forms were submitted to the Returning Officer and an opportunity will be given at the meeting for any further nominations.

As more than one Councillor has been nominated, the legislated process as described in Schedule 7 will be followed.

13.4 Determination of Councillor representation to Council Committees and external bodies

CSP Objective: Outcome 5.2: Governance is transparent and builds trust

CSP Strategy: 5.2.1 Build strong relationships and ensure our partners and community share the responsibilities and benefits of putting plans into practice.

Delivery Program: 5.2.1.1 Provide public access to Council business through Council meetings, briefings, public access forums and Council committee meetings.

Item 13.4**Summary**

The purpose of this report is to determine the appointment of Councillor delegates to Council Committees and external bodies.

Financial implication

There are no financial implications for the external bodies, regional and other organisations. Resources for Council Committees are included in operational budgets.

Risk implication

The risk related to delegations is that Council would not be adequately represented on relevant external bodies and the individual terms of reference and/or guidelines for Council committees are not complied with.

Policy

Relevant terms of reference and constitutions of external bodies

Terms of reference and/or guidelines for each Council Committee

Consultation (internal)

Executive Leadership Team. Councillors were sent a form and requested to complete via email or form their intended nominations. Noting this process does not prevent any councillor from nominating on the floor of council.

Communication/Community engagement

A list of the appointment of delegates to Council committees and external bodies is published on the Council website.

Attachments

Nil

Enclosures

Nil

Report of the Chief Executive Officer

13.4 Determination of Councillor representation to Council Committees and external bodies (cont)

RECOMMENDATION

That Council:

1. Determine its representatives to external organisations for the period to September 2028, as follows:
 - (a) CivicRisk Mutual:
 - 1 Mayor / Councillor
 - CEO or delegate
 - (b) Cleary Bros Community Consultative Committee:
 - 1 Councillor
 - (c) Friends of Kiama Library
 - 1 Councillor
 - 1 Alternate
 - (d) Healthy Cities Alliance (including Australian Chapter)
 - 1 Councillor
 - (e) Illawarra Academy of Sport
 - Mayor / delegate
 - (f) Illawarra Bush Fire Management Committee
 - 1 Councillor
 - CEO or delegate – Director Infrastructure & Operations
 - (g) Illawarra District Weeds Authority Committee
 - 1 Councillor
 - CEO or delegate – Landscape & Recreation Coordinator
 - (h) Illawarra Shoalhaven Joint Organisation
 - Mayor
 - 1 Councillor
 - 1 Alternate
 - CEO
 - (i) Kiama and District Sports Association
 - 1 Councillor
 - CEO or delegate
 - (j) Kiama Liquor Accord
 - 2 Councillors
 - CEO or delegate – Road Safety Officer
 - (k) NSW Public Libraries Association and the South East Zone Committee
 - 1 Councillor

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Report of the Chief Executive Officer

13.4 Determination of Councillor representation to Council Committees and external bodies (cont)

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- CEO or delegate – Director Strategies Communities | Manager Libraries & Cultural Hubs
- (l) Southern Regional Planning Panel
- Mayor / 1 Councillor
 - CEO or delegate – Director Strategies & Communities
 - Alternate: Bronwyn Seiden
2. Determine the Councillor membership for the following Committees to September 2028:
- (a) Audit, Risk and Improvement Committee – 1 Councillor (non-voting)
 - (b) Finance and Major Projects Advisory Committee – 3 Councillors
 - (c) Kiama Local Transport Forum – 1 Councillor and 1 alternate
 - (d) Performance Review Committee – Mayor, Deputy Mayor, 1 Councillor and 1 Councillor selected by the CEO
 - (e) Tourism and Economic Advisory Committee – 2 Councillors
3. Amend the Terms of Reference for the Finance and Major Projects Advisory Committee to increase the Councillor membership to three (3).

External bodies, regional and other organisations

The current organisations to which Council is required to appoint a delegate or representative are provided in the table below:

Committee	Meetings	Delegates
CivicRisk Mutual	Quarterly	1 Mayor / Councillor CEO or delegate
Cleary Bros Community Consultative Committee	At least 2 x per year	1 Councillor
Friends of Kiama Library	Monthly	1 Councillor 1 Alternate
Healthy Cities Alliance (including Australian Chapter)	Bi-monthly	1 Councillor
Illawarra Academy of Sport	Bi-monthly	Mayor / delegate
Illawarra Bush Fire Management Committee	Quarterly	1 Councillor Director Infrastructure and Operations /delegate
Illawarra District Weeds Authority Committee	Quarterly	1 Councillor Landscape Coordinator

Report of the Chief Executive Officer

13.4 Determination of Councillor representation to Council Committees and external bodies (cont)

Committee	Meetings	Delegates
Illawarra Shoalhaven Joint Organisation	Bi-monthly	Mayor 1 Councillor 1 Alternate CEO
Kiama and District Sports Association	Bi-monthly	1 Councillor Manager Property and Commercial
Kiama Liquor Accord	Bi-monthly	2 Councillors CEO delegate
NSW Public Libraries Association and the South East Zone Committee	Quarterly	1 Councillor Director Strategies & Communities Manager Libraries
Southern Regional Planning Panel	As required	2 members At least 4 alternates

Item 13.4

Councillors need to determine the Councillor representation on these committees in line with required delegate numbers.

It is important that Councillors are committed to attendance at all meetings of a committee prior to nominating to be a representative.

Outline of Committees

Following is an explanation about Kiama Municipal Council's involvement for each committee:

CivicRisk Mutual

CivicRisk Mutual is a self-funded, self-managed, member-based mutual that supports councils with risk management and mitigation services. The Mutual represents 26 NSW councils.

The Mutual calls for 2 nominated representatives and while it does not dictate who councils nominate it is suggested that this be either the Mayor or a councillor, and the CEO or CEO's delegate.

Council's Director Corporate and Commercial is a member of the CivicRisk Mutual Board and will act as the CEO's representative.

An alternate councillor representative can also be nominated.

Meetings are held quarterly.

Report of the Chief Executive Officer

13.4 Determination of Councillor representation to Council Committees and external bodies (cont)

Cleary Bros Community Consultative Committee

This Consultative Committee is an advisory committee that reviews Cleary Bros performance with respect to environmental management and community relations, undertakes quarry inspections and reviews community concerns and complaints.

The Terms of Reference of the Consultative Committee require membership of one councillor representative from Kiama Municipal Council.

Meetings are held at least twice per year.

Friends of Kiama Library

The Friends of Kiama Library support and enrich the Kiama public library service and local community, while providing a stimulating and enjoyable program for members.

The Constitution requires one councillor representative. An alternate can also be nominated.

Meetings are held monthly.

Healthy Cities Alliance

Healthy Cities Alliance is an international network aiming at protecting and enhancing the health of city dwellers. The Alliance is a group of cities and other organisations that try to achieve the goal through an approach called “Healthy Cities”. Healthy Cities Illawarra run a number of programs locally.

One Councillor representative is required.

Meetings are held bimonthly.

Illawarra Academy of Sport

As the pioneer for the regional academy model in Australian sport, the Illawarra Academy of Sport is a not-for-profit sporting organisation that exists to provide localised training and education opportunities for talented young athletes, coaches and administrators across the Illawarra region.

The Constitution of the Academy requires representation from the Mayor or the Mayor’s delegate.

Meetings are held bi-monthly.

Illawarra Bush Fire Management Committee

The Illawarra Bush Fire Management Committee is made up of a range of stakeholders from the area including emergency services, land management agencies, local government, local aboriginal land services and local community groups. This ensures key community stakeholders have a say on bush fire management activities for the benefit of their communities.

The terms of reference allows for a councillor member to join the Director Infrastructure and Operations on the Committee.

The Committee meets quarterly.

Report of the Chief Executive Officer

13.4 Determination of Councillor representation to Council Committees and external bodies (cont)

Illawarra District Weeds Authority Committee

The IDWA has delegated authority from Wollongong, Shellharbour and Kiama councils to carry out local control authority functions under the *Biosecurity Act 2015*. It also represents those councils on the South East Regional Weeds Committee. The IDWA is a business unit of the Illawarra Shoalhaven Joint Organisation.

Each council must appoint a councillor representative to the Committee.

Meetings are held quarterly.

Illawarra Shoalhaven Joint Organisation (ISJO)

The principal functions of the ISJO are: to establish strategic regional priorities for the area and develop strategies and plans to deliver; provide regional leadership and be an advocate for regional strategic priorities; and identify and take up opportunities for intergovernmental cooperation.

The Board of ISJO consists of the mayors of each council and one additional councillor voting representative. The ISJO meets bimonthly and operates under a Charter and a Code of Meeting Practice.

In accordance with the *Local Government Act 1993* attendance provisions are as stringent as those applying to meetings of Member Councils. Councillors wishing to nominate to attend ISJO ought to be aware of the requirements for attendance and make every effort to give priority to attending as the work of ISJO is important and strategic in nature.

It is also noted that LG8 is a sub-committee of ISJO restricted to Mayors in line with section 226(m) of the *Local Government Act*.

Kiama and District Sports Association (KDSA)

The KDSA acts as a conduit between Council and sporting associations on booking sporting fields and awarding grants to affiliated clubs.

The KDSA constitution requires one councillor representative.

The KDSA meets bi-monthly.

Kiama Liquor Accord

The Liquor Accord is overseen by Liquor & Gaming NSW as part of a widespread approach to reducing alcohol related harm and anti-social behaviour. The Accord includes representation from NSW Police, Transport for NSW, NSW Health, local community and welfare groups, local venues, amongst others.

Two (2) councillors are required.

The Accord generally meetings bimonthly.

NSW Public Libraries Association and the South East Zone Committee

NSW Public Libraries Association represents the interest of public libraries and their users throughout the State.

As a member of NSWPLA, Council is entitled to have a councillor delegate to the association attending zone and association meetings. Representation is one councillor, Director Strategies & Communities and Manager Library and Cultural Hubs.

Report of the Chief Executive Officer

13.4 Determination of Councillor representation to Council Committees and external bodies (cont)

Zone meetings are held quarterly.

Southern Regional Planning Panel

Planning Panels, such as the Southern Regional Planning Panel, have the following functions:

- to determine regionally significant development applications and undertake rezoning reviews of planning proposals.
- determining Crown development applications,
- determining modification applications for regionally significant development,
- determining development application reviews,
- determining Site Compatibility Certificates,
- undertaking independent reviews for specific Local Aboriginal Land Council lands,
- advising the Minister or the Secretary upon request, and
- preparing planning proposals if they are directed to be a planning proposal authority.

Section 2.13 of the *Environmental Planning & Assessment Act 1979* (the EP&A Act) outlines that Council can nominate two (2) members to be on the Panel. The other three (3) members of the Panel are appointed by the Minister.

Both the EP&A Act and the 'Sydney District and Regional Planning Panels Operational Procedures' stress that Council nominated members must have expertise in one or more of the following areas: planning, heritage, architecture, the environment, urban design, land economics, traffic and transport, law, engineering, or tourism.

The Procedures suggest that Council consider appointing a minimum of four (4) alternate members.

Australian Coastal Councils Committee

The Australian Coastal Councils Association Inc. was established in 2004 and is a national body formed to represent the interests of coastal councils. Council is a member of the Australian Coastal Council. In the past councillors have been members of the Committee.

Nomination to the committee is an application process. Councillors require a resolution of Council for submission of a nomination. Voting is done by all member Councils. Nominations open in October 2027 and will be considered at the 2027 AGM in November. The representative if elected, is on the committee for a two-year period.

Council Committees

Council has five (5) Council Committees that operate under respective terms of reference, charter or guidelines. Information on the membership of these committees is provided below:

Audit, Risk and Improvement Committee (ARIC)

Report of the Chief Executive Officer

13.4 Determination of Councillor representation to Council Committees and external bodies (cont)

Councillor Lawton is the current Councillor representative on the ARIC. The ARIC Charter states *“Members will be appointed for up to a four-year term. Members can be reappointed for one further term, but the total period of continuous membership cannot exceed eight years.”*

Finance and Major Projects Advisory Committee

The creation of the Finance and Major Projects Advisory Committee was resolved at the August 2025 Ordinary Council meeting (Minute 25/252OC). Councillors McDonald, Larkins and Lawton are the current representatives.

It is noted the current terms of reference state 2 Councillor members and will require updating.

Kiama Local Transport Forum

The Kiama Local Transport Forum replaced the Local Traffic Committee on 1 August 2025 following new authorisations and delegations to councils by Transport for NSW.

The terms of reference for the Kiama Local Transport Forum stipulates a Councillor term of 2 years. Councillor Larkins is the current Councillor representative on the Kiama Local Transport Forum.

Performance Review Committee

The Guidelines for the appointment and oversight of General Managers states that *“Performance review panels should comprise of the mayor, the deputy mayor, another councillor nominated by council and a councillor nominated by the general manager.”* It is silent on membership term.

The current members are Councillors McDonald (Mayor), Matters (Deputy Mayor), Warren (councillor nominated) and Draisma (CEO nominated).

Tourism and Economic Advisory Committee (TEAC)

The TEAC terms of reference states two councillor representatives are required as voting members. Councillors Brown and Tatrai are the current members of TEAC.

13.5 For endorsement: Mayoral delegations

CSP Objective: Outcome 4.2: Our governance is transparent and trusted, supported by the right structures, technology and processes to effectively serve the community.

CSP Strategy: 4.2.2 Communicate transparently to inform, build trust and respect.

Delivery Program: 4.2.2.4 Effectively communicate the projects, plans, actions and outcomes of Council (and relevant government departments) to inform our community in a timely and accessible way.

Item 13.5

Summary

The purpose of this report is for Council to review and endorse the Mayoral Delegations for the remainder of the term of the current Council.

Financial implication

Nil

Risk implication

Council should note that certain responsibilities need to be delegated to the Mayor as the elected head of the council in order to ensure the effective day to day operations of council at the policy making/elected level between meetings.

Policy

Local Government Act 1993

Consultation (internal)

Nil

Communication/Community engagement

Nil.

Attachments

- 1 Mayor's Instrument of Delegation - September 2026 [↓](#)

Enclosures

Nil

RECOMMENDATION

That Council endorse the "Mayor's Delegation (Instrument of Delegation)".

Background

Following the mid-term election of the Mayor, Council must review the Mayoral delegations for the remainder of the term of the current Council.

Report of the Chief Executive Officer

13.5 For endorsement: Mayoral delegations (cont)

The statutory role of the Mayor as defined in Section 226 of the *Local Government Act 1993* is as follows:

- (a) to be the leader of the council and a leader in the local community.
- (b) to advance community cohesion and promote civic awareness.
- (c) to be the principal member and spokesperson of the governing body, including representing the views of the council as to its local priorities.
- (d) to exercise, in cases of necessity, the policy making functions of the governing body of the council between meetings of the council.
- (e) to preside at meetings of the council.
- (f) to ensure that meetings of the council are conducted efficiently, effectively and in accordance with this Act.
- (g) to ensure the timely development and adoption of the strategic plans, programs and policies of the council.
- (h) to promote the effective and consistent implementation of the strategic plans, programs and policies of the council.
- (i) to promote partnerships between the council and key stakeholders.
- (j) to advise, consult with and provide strategic direction to the general manager in relation to the implementation of the strategic plans and policies of the council.
- (k) in conjunction with the general manager, to ensure adequate opportunities and mechanisms for engagement between the council and the local community.
- (l) to carry out the civic and ceremonial functions of the mayoral office.
- (m) to represent the council on regional organisations and at intergovernmental forums at regional, State and Commonwealth level.
- (n) in consultation with the councillors, to lead performance appraisals of the general manager.
- (o) to exercise any other functions of the council that the council determines.

Council's Code of Meeting Practice also provides for certain powers that may be given to the Mayor as a delegation in order to assist with the effective conduct of a meeting. These include dealing with disorder at a council meeting.



LOCAL GOVERNMENT ACT 1993 (NSW)

INSTRUMENT OF DELEGATION

MAYOR'S INSTRUMENT OF DELEGATION

Pursuant to section 377 of the *Local Government Act 1993*, on 15 September 2026, Kiama Municipal Council endorsed the following Mayoral delegations for the remainder of the Council term, that is until the election in September 2028:

1. Delegates to the Mayor, or to the Councillor who acts in that position, the functions, powers, duties and authorities of the Council may be lawfully delegated under the *Local Government Act 1993*, any other Act, regulation, instrument, rule or the like (including any functions, powers, duties and authorities delegated to the Council by any authority, body, person or the like) subject to:
 - a) the Restrictions set out in Column 2 in respect of those functions listed in Column 1 of Schedule 1 of this Instrument; and
 - b) compliance with any applicable resolution of the Council.

MAYOR'S DELEGATIONS: Schedule 1

	COLUMN 1 FUNCTION*	COLUMN 2 RESTRICTION**
1	Day-to-day oversight of and liaison with the Chief Executive Officer	Within the terms and conditions of the Chief Executive Officer's contract and section 352 of the Local Government Act 1993.
2	Approve leave applications of the Chief Executive Officer	
3	Authorise expenditure incurred by the Chief Executive Officer on behalf of the Council	In accordance with delegated limits.
4	Incur Council-related expenditure on a Council-provided Credit Card	Up to a limit of \$5,000 per month and a transaction limit of \$5,000.

	COLUMN 1 FUNCTION*	COLUMN 2 RESTRICTION**
5	Manage declarations by the Chief Executive Officer in Council's Gifts and Benefits and Conflicts of Interest Registers	
6	Authorise the holding of civic events, receptions and functions in consultation with the Chief Executive Officer	
7	Sign outgoing correspondence on behalf of the Office of the Mayor	Where consistent with resolutions and adopted policies of the Council.
8	To fix the Seal of Council on and sign as a witness any document required to be sealed.	Where consistent with resolutions and adopted policies of the Council.

Notes to assist with interpretation:

To avoid doubt, any monetary amount shown is inclusive of GST where applicable.

13.6 Varied Performance Improvement Order Actions

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

CSP Strategy: 4.1.1 Public funds are managed in accordance with Financial Management Standards and the Local Government Act, with accurate and timely reporting.

Delivery Program: 4.1.1.1 Strengthen financial reporting, ensure legislative compliance, and promote long-term sustainability by enhancing scrutiny and oversight processes while optimising funding opportunities, and improving procurement practices.

Item 13.6

Summary

Kiama Municipal Council (KMC) was issued a variation to its Performance Improvement Order (PIO), initially issued by the then Minister for Local Government, the Hon. Wendy Tuckerman MP, on 8 November 2022.

The varied PIO issued on 30 June 2026 requires council to draft the Revenue Improvement Strategy and draft the Strategic Asset Review and place them on public exhibition by 29 September 2026.

Both documents have been prepared to satisfy Council's obligations under the Order, and it is recommended to be placed on public exhibition prior to adoption and submission to the Office of Local Government.

Financial implication

Some of the work required to be undertaken has been included in the 2026-27FY budget as there are costs associated with completing the activities of the updated Plan. The new revenue improvement ideas, if endorsed, will require investment in 2027-28FY.

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 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.

Policy

Local Government Act, 1993

Asset Recycling Strategy

Acquisition and Disposal of Land and Easement Policy

Budget policy

Report of the Chief Executive Officer

13.6 Varied Performance Improvement Order Actions (cont)

Consultation (internal)

Executive Leadership Team

Strategic session was held with the Management and Executive Leadership Team on 13 August 2026, and a Councillor session was held on 18 August 2026.

Communication/Community engagement

The draft Revenue Improvement Strategy and the Strategic Asset Review will be placed on public exhibition from 17 September to 15 October 2026 to allow community feedback prior to final proposed option adoption. This is in accordance with Clause 10 of the Variation of Performance Improvement Order issued by the Office of Local Government.

Attachments

Nil

Enclosures

- 1 DRAFT Revenue Improvement Strategy [⇒](#)
- 2 DRAFT Strategic asset review [⇒](#)

RECOMMENDATION

That Council

1. Receive and note the findings and recommendations contained within both the Draft Revenue Strategy and the Draft Strategic Asset Review
2. Note Council's obligations under item 6 and item 10 of the varied Performance Improvement Order to finalise and adopt the Strategic Asset Review within the prescribed timeframe.
3. Endorse the draft Revenue Improvement Strategy and draft Strategic Asset Review to be placed on public exhibition from 17 September to 15 October 2026.
4. Receive a further report following the public exhibition period to consider submissions and adopt both the final Revenue Improvement Strategy and the final Strategic Asset Review

Background

Kiama Municipal Council (KMC) was issued a variation to its Performance Improvement Order (PIO), initially issued by the then Minister for Local Government, the Hon. Wendy Tuckerman MP, on 8 November 2022.

The varied PIO Issued on 30 June 2026 requires council to draft the Revenue Improvement Strategy and the Strategic Asset Review and place them on public exhibition by 29 September 2026.

Report of the Chief Executive Officer

13.6 Varied Performance Improvement Order Actions (cont)

Both documents have been prepared to satisfy Council's obligations under the Order, and it is recommended to be placed on public exhibition prior to adoption and submission to the Office of Local Government

The **Draft Revenue Improvement Strategy** has been developed to meet the requirements of Item 6 of the Order dated 30 June 2026. The varied PIO requires KMC to develop a Revenue Improvement Strategy to identify lawful recurring revenue opportunities.

Traditionally, Council's primary revenue sources focused on rates and levies, and fees and charges. Given the current rate pegging system in NSW, Council's ability to increase rates, as its primary source of revenue, has been limited and has not matched CPI or staff award increases.

This Strategy looks to identify additional and alternative revenue sources to ensure that Council can become financially sustainable and continue to provide the necessary services to its community.

This Revenue Improvement Strategy establishes a sustainable framework for growing and diversifying revenue over the next three years. It outlines key revenue streams, growth opportunities, investment priorities, risks, and performance measures required to achieve financial sustainability and support organisational objectives.

The Revenue Strategy highlights major actions that have the potential to derive significant revenue and other potential smaller or medium sized actions or activities. The concern for Council in response to the PIO requirement for a 'balanced budget excluding capital grants' for FY2027-28 is that the significant revenue opportunities require some or several years from inception, planning, implementation, operational maturity and revenue maximization.

The action that can be implemented effective July 2027 is a Special Rates Variation (SRV) and the action proposed notes 20% or \$4M. The impact of 20% for a residential rate payer currently paying rates of \$2,000 would be an increase of \$400, to \$2,400. This will address the \$3.8M deficit. Other actions such as Paid Parking and monetizing of the Catalyst Sites can still follow in subsequent years.

The SRV Application is a significant and detailed application process requiring extensive consultation, analysis and explanation, preparation and submission to NSW IPART (Independent Pricing & Regulatory Tribunal) for approval. There is a risk that approval is not provided. Additionally for the July 2027 timeframe to be achievable, the application will need submission by February 2027 and therefore initial community consultation processes would need to commence immediately.

If the SRV process is not pursued for implementation July 2027, and Council and the PIO do not refer to the service and staff cost cutting initiatives noted earlier this year, the budget position for FY2027-28 will again be a deficit budget when excluding capital grants, notwithstanding a positive operating cash or EBITDA result, and the balanced budget occurring in the next 2 years.

The **Draft Strategic Asset Review** has been undertaken to satisfy the requirements of Item 10 of the Order dated 30 June 2026. The review assesses Council's land and property portfolio to identify assets that are essential to the delivery of Council services and strategic objectives (core holdings) and those that may present opportunities for

Report of the Chief Executive Officer

13.6 Varied Performance Improvement Order Actions (cont)

redevelopment, rationalisation, leasing optimisation or divestment (non-core holdings).

Kiama Municipal Council owns or manages more than 300 individual parcels of land across the municipality. These assets support a diverse range of functions, including the delivery of operational services, community infrastructure, public open space, environmental outcomes and commercial activities. The portfolio includes Council Operational Land, Community Land and Council-managed Crown Land, each of which is governed by distinct legislative and management frameworks.

The review has focused primarily on Operational Land and road closure opportunities, as these assets currently present the most immediate and practical opportunities to improve asset utilisation, generate financial returns and support Council's long-term financial sustainability objectives. The review has identified a number of properties with redevelopment or divestment potential while recognising that some non-core holdings provide strategic, economic or commercial benefits that support their ongoing retention by Council.

Initial consideration has also been given to potential Community Land opportunities. However, these assets require additional planning, investigation and community consultation before any recommendations can be finalised. As a result, detailed actions, priorities and indicative delivery timeframes for Community Land opportunities are still being developed and will be incorporated into future revisions of this review.

The findings of this review are intended to provide a strategic framework for the ongoing management of Council's property portfolio, ensuring assets are aligned with service delivery requirements, community needs, legislative obligations and long-term financial objectives. Given the evolving nature of property opportunities and strategic priorities, this review will be updated regularly to reflect new information, complete investigations and emerging opportunities.

The Strategic Asset Review provides Council with a framework to support informed decision-making regarding its property portfolio and contributes to Council's broader financial sustainability objectives. Specifically, the Asset Review and any divestment opportunities will increase Council's cash reserves. The cash reserves can then be used to earn investment income or put toward the execution of other revenue generating activities such as those noted in the Revenue Strategy.

Both the draft Revenue Improvement Strategy and the draft Strategic Asset Review will be placed on public exhibition from 17 September to 15 October 2026, providing the community with an opportunity to review the documents and make submissions before it is finalised.

During the public exhibition period Council will undertake dedicated community engagement to gather feedback in relation to both documents, this will include pop ups at key locations, and webinars.

Feedback received during the exhibition period will be considered by Council prior to the preparation of a final Strategic Asset Review for adoption, ensuring transparency in the decision-making process and enabling community input into the future management of Council's property portfolio.

**13.7 Disclosure of Pecuniary Interest: Councillors and Designated Persons
Annual Returns 2025/2026**

- CSP Objective: Outcome 4.2: Our governance is transparent and trusted, supported by the right structures, technology and processes to effectively serve the community.
- CSP Strategy: 4.2.2 Communicate transparently to inform, build trust and respect.
- Delivery Program: 4.2.2.2 Information management is transparent and builds trust. Council's records are managed as per legislative requirements.

Item 13.7

Summary

The purpose of this report is to table the Disclosure of Pecuniary Interest Annual Returns for Councillors, designated staff, and independent representatives of the Audit, Risk and Improvement Committee for the 2024-25 financial year in accordance with Council's Code of Conduct and section 440AAB of the *Local Government Act 1993*.

Financial implication

Nil

Risk implication

Disclosing the returns promotes openness, transparency and accountability at Kiama Municipal Council. It also facilitates the identification and management of potential conflicts of interest that might arise where staff participate in decisions from which they may derive, or be perceived to derive, personal or financial benefit.

Policy

Code of Conduct for Council staff, contractors and volunteers

Code of Conduct for Council Committee members, Delegates of Council and Council Advisers

Local Government Act 1993

Government Information (Public Access) Act 2009

Government Information (Public Access) Regulation 2009

Consultation (internal)

Nil

Communication/Community engagement

Nil

Attachments

Nil

Enclosures

- 1 Enclosure - Disclosure of Pecuniary Interests - Annual Return - Register - 2025-2026 [⇒](#)

Report of the Chief Executive Officer

13.7 Disclosure of Pecuniary Interest: Councillors and Designated Persons
Annual Returns 2025/2026 (cont)

RECOMMENDATION

That Council:

1. Note the tabling of the register of Disclosure of Pecuniary Interest Annual Returns for councillors, designated staff, and independent representatives of the Audit, Risk and Improvement Committee for the 2025-26 financial year.
2. Note the names and positions set out in the register who have been identified as designated persons of Kiama Municipal Council, for the period 1 July 2025 to 30 June 2026.

Item 13.7

Background

To comply with the relevant Codes of Conduct, councillors, designated persons and independent representatives of relevant committees must make and lodge a return, set out in the prescribed form, disclosing their interests within three months after 30 June each year.

“Designated persons” are defined in the Code of Conduct as:

- (a) The Chief Executive Officer.
- (b) Other senior staff of Council for the purposes of section 332 of the *Local Government Act 1993*.
- (c) A person (other than a member of the senior staff of Council) who is a member of staff of Council or a delegate of Council and who holds a position identified by Council as the position of a designated person because it involves the exercise of functions (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict between the person’s duty as a member of staff or delegate and the person’s private interest.
- (d) A person (other than a member of the senior staff of Council) who is a member of a committee of Council identified by Council as a committee whose members are designated persons because the functions of the committee involve the exercise of Council’s functions (such as regulatory functions or contractual functions) that, in their exercise, could give rise to a conflict between the member’s duty as a member of the committee and the member’s private interest.

The Disclosure of Interest returns are designed to promote openness and transparency in local government, and to avoid a conflict of interest on the part of council staff who exercise decision-making functions.

The names and positions of designated persons and independent representatives of relevant committees who have lodged their returns as at the date of this report are listed in the register at Enclosure 1.

Report of the Chief Executive Officer

13.7 Disclosure of Pecuniary Interest: Councillors and Designated Persons
Annual Returns 2025/2026 (cont)

Under the provisions of section 440AAB of the *Local Government Act*,

- (1) *The general manager must keep a register of returns disclosing interests that are required to be lodged with the general manager under a code of conduct.*
- (2) *Returns required to be lodged with the general manager must be tabled at a meeting of the council, being the first meeting held after the last day specified by the code for lodgment, or if the code does not specify a day, as soon as practicable after the return is lodged.*

Information contained in returns made and lodged will be publicly available on Council's website in accordance with the requirements of the *Government Information (Public Access) Act 2009*, the *Government Information (Public Access) Regulation 2009* and any guidelines issued by the Information Commissioner.

Pursuant to the "Protection of Privacy" provisions detailed in section 739 of the *Local Government Act*, information that discloses a person's place of residence or any other material that may place the personal safety of the person or of members of the person's family at risk, will be omitted from the published version.

Item 13.7

13.8 Endorse for public exhibition: Draft Council Committees Framework Policy

- CSP Objective: Outcome 4.2: Our governance is transparent and trusted, supported by the right structures, technology and processes to effectively serve the community.
- CSP Strategy: 4.2.2 Communicate transparently to inform, build trust and respect.
- Delivery Program: 4.2.2.4 Effectively communicate the projects, plans, actions and outcomes of Council (and relevant government departments) to inform our community in a timely and accessible way.

Item 13.8

Summary

This report provides Councillors with a draft Council Committees Framework Policy for public exhibition, following an update due to the dissolution of some committees and an amendment required by the internal audit on performance management.

Financial implication

Nil.

Risk implication

The risk of providing a policy that is not correct or relevant will cause confusion regarding committee functions, responsibilities and reporting arrangements. Updating the policy also demonstrates Council's response to internal audit recommendations and a commitment to good governance practices.

Policy

Council Policy Framework

Consultation (internal)

Internal Auditor

Governance

Executive Leadership Team

Communication/Community engagement

The Policy will be placed on public exhibition for 28 days and promoted through usual media channels and the Council website.

Attachments

Nil

Enclosures

- 1 DRAFT Council Committees Framework Policy [⇒](#)

Report of the Chief Executive Officer

13.8 Endorse for public exhibition: Draft Council Committees Framework Policy
(cont)

RECOMMENDATION

That Council:

1. Endorse the draft Council Committees Framework Policy to be placed on public exhibition for 28 days calling for submissions.
2. Following conclusion of the exhibition period:
 - (a) receive a further report for consideration, if any relevant submissions are received or if any substantial changes are proposed for any other reason, detailing the public exhibition outcomes and proposed changes with recommendations regarding adoption of the above documents, or
 - (b) adopt the draft Council Committees Framework Policy if there are no relevant submissions received and there are no substantial changes proposed for any other reasons.

Background

The Council Committees Framework Policy has been reviewed and updated to ensure it remains current, accurate and fit for purpose. The review was initiated following an internal audit of performance management processes, which included a recommendation to remove references to senior staff from the Performance Review Committee provisions. In implementing this recommendation, it was identified that the policy contained references to committees that no longer exist. The proposed amendments remove these outdated references and improve the overall accuracy and relevance of the policy.

In addition to these administrative updates, amendments have been made to the Terms of Reference contained within the attachments to strengthen member attendance requirements. The minimum attendance threshold has been amended from 75 per cent of meetings to attendance at not less than 50 per cent of meetings during a twelve-month period. This change provides greater clarity regarding ongoing participation expectations for committee members while maintaining an appropriate level of commitment to support the effective operation of Council's advisory and working committees.

Conclusion

It is recommended that the revised Council Committees Framework Policy be endorsed for public exhibition.

Item 13.8

13.9 Local Government NSW 2026 annual conference motion: improving safety of shared use playing fields with embedded cricket pitches

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 13.9

Summary

A motion has been prepared for submission to the 2026 Local Government NSW Annual Conference seeking advocacy for a NSW Government funded rolling program to improve the safety on sports fields that contain embedded cricket pitches.

The motion responds to growing safety concerns regarding hard cricket wicket surfaces within shared use playing fields, highlighted by the recent tragic death of a Victorian AFL player following a head injury sustained during a match. The proposed motion seeks State Government support for councils to investigate and implement safer playing surface solutions, including removable or seasonal wickets, turf wicket conversions, relocations and other innovative technologies that enable the continued shared use of sporting facilities while reducing safety risks.

Financial implication

Submitting a motion to the LGNSW conference does not require budget.

Risk implication

The motion must follow the LGNSW criteria and be submitted by the deadline of 30 September 2026.

Policy

LGNSW motion guidelines.

Local Government Act 1993.

Consultation (internal)

Executive Leadership Team.

Communication/Community engagement

Nil.

Attachments

Nil

Enclosures

Nil

Report of the Chief Executive Officer

- 13.9 Local Government NSW 2026 annual conference motion: improving safety of shared use playing fields with embedded cricket pitches (cont)

RECOMMENDATION

That Council endorse the following motion for submission to the 2026 Local Government NSW Conference:

That Local Government NSW advocates to the NSW Local Government to:

1. Develop, in consultation with councils and sporting organisations, Statewide guidelines and best practice standards for the management of sports fields used for both cricket and football/rugby league/AFL matches.
2. Establish a dedicated, rolling funding program to support councils in the progressive upgrade of multi-use sports fields containing embedded cricket pitches to improve player safety.
3. Ensure any program is delivered as a long-term rolling fund recognising the significant number of community sports fields across NSW requiring assessment and upgrade.

Background

Community sports fields are critical local infrastructure that support participation, physical activity and community wellbeing. Shared use sports fields are common across NSW local government areas, with many grounds that accommodate cricket, containing embedded hard wicket pitches. While these facilities have historically supported multi-sport use, concerns have been raised regarding the potential safety risks posed by hard pitch surfaces during football/rugby league/AFL matches.

Recent tragic events involving serious head injuries sustained by an AFL player in Victoria have highlighted the need for a proactive review of the safety of grounds where cricket pitches remain embedded within football playing surfaces. Councils often lack the financial capacity to undertake major field reconstruction or install alternative wicket technologies without external support.

As Council funds are limited, with most Councils already relying on capital grants for asset upgrade or renewal works, a dedicated NSW Government funding program would enable councils to progressively upgrade existing facilities, improve player safety, extend the useful life of sporting infrastructure and ensure community grounds remain capable of supporting both football/rugby league/AFL and cricket participation. The program should be flexible enough to accommodate emerging technologies and local circumstances while recognising that many councils manage multiple sporting fields requiring staged improvements over several years.

As councils increasingly need to maximise utilisation of sporting infrastructure, there is a growing need to ensure that multi-use facilities can continue to support cricket and other sports without compromising player safety

LGNSW motions

A motion submitted to the LGNSW Conference must satisfy the following criteria:

1. Be consistent with the objectives of LGNSW Rules (Rule 4).

Report of the Chief Executive Officer

13.9 Local Government NSW 2026 annual conference motion: improving safety of shared use playing fields with embedded cricket pitches (cont)

2. Demonstrate that the issue concerns or is likely to concern a substantial number of local governments in NSW.
3. Seek to establish or change a policy position of LGNSW and/or improve governance of the association (noting that the LGNSW Board is responsible for any decisions around resourcing and campaigns or operational activities, and any necessary resource allocations will be subject to the LGNSW budgetary process).
4. Be strategic.
5. Be concise, clearly worded and unambiguous.
6. Not be focused on just a small specific part of NSW.
7. Not encourage violation of prevailing laws.
8. Not seek to advantage one or several members at the expense of other members.

The deadline for submissions to the 2026 LGNSW Conference is 30 September 2026 or an absolute final deadline of 25 October 2026.

Item 13.9

13.10 Local Government NSW 2026 annual conference motion - sustainability of local government councils

- 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 13.10

Summary

Kiama Municipal Council has identified concerns with the way local government financial sustainability is assessed through current financial reporting frameworks and performance measures. Councils are responsible for managing extensive infrastructure portfolios and community assets that differ significantly from those of commercial organisations, yet are assessed using accounting methodologies that may not adequately reflect these unique responsibilities. In particular, the treatment of depreciation and externally funded assets within key financial sustainability indicators can distort the true financial position of councils and create a disconnect between reported financial performance and actual service delivery and asset management outcomes.

This report proposes a motion to the 2026 Local Government NSW Annual Conference seeking advocacy for a review of these frameworks to ensure they provide a more accurate and meaningful assessment of local government financial sustainability.

Financial implication

Submitting a motion to the LGNSW conference does not require budget.

Risk implication

The motion must follow the LGNSW criteria and be submitted by the pre-election deadline of 30 September 2026.

Policy

LGNSW motion guidelines

Local Government Act 1993

Consultation (internal)

Executive Leadership Team.

Communication/Community engagement

Nil.

Report of the Chief Executive Officer

13.10 Local Government NSW 2026 annual conference motion - sustainability of local government councils (cont)

Attachments

Nil

Enclosures

Nil

Item 13.10

RECOMMENDATION

That Council endorse the following motion for submission to the Local Government NSW Conference:

That Local Government NSW advocates to the NSW Government for a comprehensive review of local government financial performance reporting frameworks, including:

1. The treatment of depreciation within the Operating Performance Ratio and other key financial sustainability indicators.
2. The treatment of externally funded assets, including assets funded through grants, developer contributions and disaster recovery programs, within local government financial performance assessments.
3. The exclusion or alternative treatment of assets for which councils have limited control over replacement, renewal or operational funding responsibilities.
4. The development of financial sustainability measures that better reflect the unique infrastructure stewardship role of local government and the non-commercial nature of council asset ownership.
5. A review of the Local Government Accounting Code and associated performance benchmarks to ensure they provide a fair, accurate and meaningful assessment of council financial sustainability.
6. Consultation with Local Government NSW, councils, the Audit Office of NSW and relevant accounting bodies to develop a contemporary financial reporting framework that supports improved strategic asset management and long-term financial sustainability.

Background

Kiama Municipal Council (KMC) has previously made submissions to both Federal and State Parliamentary Inquiries into local government financial sustainability.

A key issue identified through those submissions is the growing disconnect between local government financial performance reporting measures and the practical realities of council operations, infrastructure management and service delivery.

Current financial sustainability assessments place significant emphasis on the Operating Performance Ratio, which incorporates depreciation expenses. However, councils manage extensive infrastructure portfolios that are fundamentally different to

Report of the Chief Executive Officer

13.10 Local Government NSW 2026 annual conference motion - sustainability of local government councils (cont)

commercial business assets. Many council assets are wholly or partially funded by external grant programs, developer contributions or government initiatives and are not intended to generate commercial returns.

The current reporting framework can therefore present councils as being financially unsustainable despite maintaining services, delivering infrastructure and responsibly managing assets.

Councils are custodians of extensive infrastructure networks and community assets that are essential to community wellbeing, economic productivity and public safety. Unlike private sector organisations, many council assets are funded wholly or partially through grants, developer contributions and disaster recovery programs, are not intended to generate commercial returns and, in some cases, may never require replacement in their current form. Despite this, councils are required to account for these assets and associated depreciation in a manner that can significantly impact key financial sustainability measures such as the Operating Performance Ratio. Added to this is an asset revaluation methodology that can reflect higher balance sheet carrying values and corresponding higher depreciation charge.

There is growing concern across the local government sector that the current treatment of depreciation and externally funded assets may not provide an accurate representation of a council's financial sustainability or capacity to deliver services and manage infrastructure responsibly. For many councils, particularly regional and rural councils with large infrastructure portfolios, these accounting requirements can distort financial performance outcomes and create a disconnect between reported financial results and actual operational performance.

Further to this, current financial performance measures do not accurately reflect the long-term financial capacity for councils and may adversely influence regulatory assessments, strategic decision making and community perceptions regarding financial sustainability.

A review of these financial reporting measures would better recognise the unique role of local government and promote more accurate assessments of financial sustainability.

The Local Government NSW Policy Platform already recognises concerns regarding infrastructure valuation methodologies and the treatment of Rural Fire Service assets. This proposed motion seeks to build on that advocacy by calling for a broader review of local government financial performance reporting frameworks to ensure they more accurately reflect the unique nature of council operations, infrastructure stewardship and long-term asset management responsibilities.

The Auditor General NSW Report to Parliament in January 2026 on Financial Performance of NSW Councils based on the audited financial statements for financial year ended June 2025 noted that seventeen councils were running at an operating loss. This however includes capital grants as income. If capital grants were excluded, the number of councils presenting an operating loss would be approximately 70% or 90 councils. Asset renewal or upgrade, depreciation and capital grants are heavily entwined in councils.

Item 13.10

Report of the Chief Executive Officer

13.10 Local Government NSW 2026 annual conference motion - sustainability of local government councils (cont)

KMC is currently under a Performance Improvement Order (PIO) requiring a balanced operating budget excluding capital grants. As noted, KMC like other councils, rely on capital grants to support its depreciation charge. A review of financial sustainability performance measures would present KMC's position (and that of many other councils) very differently, and for KMC potentially relieve the pressure from and for its PIO.

The proposed motion provides an opportunity for Local Government NSW to advocate for a more contemporary and meaningful approach to assessing financial sustainability across the local government sector, supporting better-informed decision making by councils, regulators and communities.

LGNSW motions

A motion submitted to the LGNSW Conference must satisfy the following criteria:

1. Be consistent with the objectives of LGNSW Rules (Rule 4).
2. Demonstrate that the issue concerns or is likely to concern a substantial number of local governments in NSW.
3. Seek to establish or change a policy position of LGNSW and/or improve governance of the association (noting that the LGNSW Board is responsible for any decisions around resourcing and campaigns or operational activities, and any necessary resource allocations will be subject to the LGNSW budgetary process).
4. Be strategic.
5. Be concise, clearly worded and unambiguous.
6. Not be focused on just a small specific part of NSW.
7. Not encourage violation of prevailing laws.
8. Not seek to advantage one or several members at the expense of other members.

The deadline for submissions to the 2026 LGNSW Conference is 30 September 2026 or an absolute final deadline of 25 October 2026.