

18.4 Quarterly Performance Improvement Order Compliance Report - October 2026

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

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Summary

The Quarterly compliance reports are a requirement of the varied Performance Improvement Order (PIO) issued on 30 June 2026. The quarterly status reports are provided to the elected body and Office of Local Government.

Financial implication

Nil

Risk implication

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

Policy

Local Government Act 1993

Consultation (internal)

Councillors, The Chair and members of the Audit, Risk and Improvement Committee, the Finance and Major Advisory Committee, and staff were informed of the receipt to vary the PIO via the supplementary report at the Ordinary Council meeting on 17 July 2026.

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

Communication/Community engagement

The varied PIO and the Strategic Finance and Governance Improvement Plan (SF&GIP)

Attachments

- 1 Kiama - PIO - Compliance Report 1 - PIO Compliance Report Due 15 Oct 2026
- 2 Strategic Finance and Governance Improvement Plan V2_15 October 2026 update

Supplementary Reports

18.4 Quarterly Performance Improvement Order Compliance Report - October 2026 (cont)

Enclosures

Nil

RECOMMENDATION

That Council:

1. Note the Quarterly compliance report for the varied Performance Improvement Order (PIO).
2. Note that the Chief Executive Officer will:
 - a. place a copy of the quarterly compliance report from the Office of the Local Government – October 2026 on Council's website.

Summary

In response to receiving the varied Performance Improvement Order (PIO), Council were informed of the receipt of the order at the Ordinary Council meeting on the 17 July 2026.

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

The Quarterly compliance reports are a requirement of the varied Performance Improvement Order (PIO) issued on 30 June 2026. The quarterly status reports are provided to the elected body and Office of Local Government (OLG).

The PIO Compliance report was sent to the OLG on the 15 October 2026.

Council has met all actions for the first quarter of the Performance Improvement Order.

The order has four (4) parts:

- 1) Part A – Council's Financial Management.
- 2) Part B – Blue Haven Terralong Village and strategic assets.
- 3) Part C – from the previous order dated 23 May 2024 – Council's Financial Accounting and Management systems.
- 4) Part D – Governance, organisational efficiency and reporting.

The actions completed for the first quarter compliance report include:

- *Part A (3) Within 90 days from commencement of this Variation Order, Council must update the Finance and Government Improvement Plan to include a strategy to increase cash balances, that are externally unrestricted, to a level sufficient to:*
 - (a) *Maintain liquidity for ordinary operations;*
 - (b) *Manage reasonably foreseeable unplanned expenditure; and*
 - (c) *Reduce reliance on unplanned asset sales or short-term borrowing*

Supplementary Reports

18.4 Quarterly Performance Improvement Order Compliance Report - October 2026 (cont)

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- *Part A (4) Within 90 days from commencement of this Variation Order, Council must update the Finance and Government Improvement Plan to set out actions it will take over the next two budgets (FY2026/27 and FY 2027/28) to break the practice of adopting deficit operating budgets without relying on unplanned asset sales.*
 - *Part A (6) Revenue Improvement Strategy*
 - a) *Within 90 days from commencement of this Variation order, Council must prepare and place on public exhibition, a draft Revenue Improvement Strategy identifying lawful recurring revenue opportunities including fees, charges, commercial returns, grant optimisation and any special variation or rate review options.*
 - *Part A (7) Within 60 days from commencement of this Variation Order, Council must update the Finance and Governance Improvement Plan to include:*
 - a) *All remaining actions outstanding under the Order;*
 - b) *Responsible Officers*
 - c) *Milestone dates;*
 - d) *Quarterly status indicators; and*
 - e) *Forecast financial benefit, where relevant.*
 - *Part B (8) Within 90 days from commencement of this Variation Order, Council must prepare and provide to the Office of Local Government, at the at the time it is presented to Councillors, the outline and timeframe for preparation of an independent business case for Blue Haven Terralong Village identifying the most sustainable long term operating model addressing:*
 - a) *retention of the facility as an ongoing concern, including a defined funding plan,*
 - b) *lease, partnership or joint venture options,*
 - c) *divestment or disposal options,*
 - d) *capital upgrade costs,*
 - e) *fire safety compliance requirements,*
 - f) *projected financial impacts over 10 years,*
 - g) *risks associated with each option, and*
 - h) *a recommended preferred option and implementation pathway.*
 - *Part B (9) Within 60 days from commencement of Variation Order Council is to prepare a funded works program to address all critical fire safety compliance issues at Blue Haven Terralong Village and commence implementation immediately thereafter.*
 - *Part B (10) Within 90 days from commencement of Variation Order Council is to provide Office of Local Government with a Strategic Asset Review identifying: i. all non core property holdings;*
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Supplementary Reports

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- ii. estimated market value;*
 - iii. holding costs;*
 - iv. redevelopment or disposal constraints; and*
 - v. recommended actions and indicative timeframes.*
 - *Part D (11) The outsourcing of domestic waste collection services is prohibited throughout the duration of the Variation Order excluding those arrangements currently in place.*

Note: The varied PIO refers to the Finance and Government Improvement Plan. This title of this document is the Strategic Finance and Government Improvement Plan (SF&GIP) V2. This document has been included in the attachment.

Requirement of report to the Office of Local Government (OLG)

Council is required to report monthly on financial reporting and quarterly compliance reports.

The monthly financial reports have been sent on the 15 of each month from August 2026 following the endorsement at the ordinary Council meeting.

The first PIO Quarterly Compliance report has been included in the attachment.

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PIO – Compliance Report Template

Act i ons	Due Date	Progress this quarter Completed, In Progress, Overdue, Delay	Comments	Evidence Required
Part A – Council's Financial Management PIO dated 30 June 2026				
Part A.2 By 30 June 2027, Council must adopt an operational plan and annual budget for FY2027/28 that demonstrates an operating position at or above break even (before capital grants and contributions and excludes reliance on proceeds from asset sales).	30 June 2027	In Progress	The planning process for building the budget for FY28 will commence after QBR1 FY27 has been finalised.	Minutes confirming a break even budget was approved before 30 June 2027
Part A.3 Within 90 days from commencement of this Variation Order, Council must update the FGIP to include a strategy to increase cash balances , that are externally unrestricted to a level sufficient to: a. maintain liquidity for ordinary operations; b. manage reasonably foreseeable unplanned expenditure; and c. reduce reliance on unplanned asset sales or short-term borrowing. The Strategy must include d. annual unrestricted cash balance targets for FY2027 & FY 2028; e. actions to achieve those targets; and f. quarterly monitoring and reporting against those targets.	28 September 2026	Completed	The SFG&IP was updated and sent to OLG within the required timeframes. An updated version to include unrestricted cash balance targets has been included with this report.	A copy of the strategy contained within FGIP that includes: - unrestricted cash balance targets (2027 & 2028) - a list of actions to meet targets - evidence of quarterly reporting on progress to meet targets
Part A.4 Within 90 days from commencement of this Variation Order, Council must update the FGIP to set out the actions it will take over the next two budgets (FY 27 and FY 28) to break the practice of adopting a deficit operating budget relying on unplanned asset sales.	28 September 2026	Completed	This action has been completed. A position paper was provided to OLG that outlines that actions.	Provide the list of actions within the FGIP that Council is undertaking to address the adoption of deficit budgets

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Part A.5 Council must implement a staged budget improvement program that prioritises lower impact efficiency measures & discretionary savings address the \$7 million gap in expenditure and revenue before Level 3 staffing restructure measures are considered. For that purpose: a. before 30 June 2027 provide evidence of implementation of all feasible Level 1 Budget Control Improvement measures identified in Council's 7 April 2026 business papers; b. before 30 June 2027 provide evidence of implementation of all feasible Level 2 Budget Control Improvement measures identified in Council's 7 April 2026 business papers subject to any required consultation process; c. before 30 June 2027 provide the Office of Local Government with a report certifying the savings implemented under paragraphs (a) and (b), including realised recurrent savings, one off savings and any savings not achieved; and	Before 30 June 2027	In progress	The feasible level 1 and level 2 budget control improvements have been implemented as part of the FY27 Budget.	a. and b. OLG will review the 2028 draft budget and detail savings identified on as their classification on as level 1 and 2. c. Receipt of the report that satisfactorily details all the savings Council has found or not achieved and classifying them between one-off, recurrent or not achieved.
Part A.5 d Council is to not implement Level 3 staffing restructure measures identified in the Business Papers (April 7) including the removal of occupied positions from the organisational structure or involuntary redundancies, until at least 60 days after i) the report required under Part A.5 c has been provided to the OLG; and ii) the Council has provided written notice to OLG of its intention to implement Level 3 staffing restructure measures identified in the Business Papers (April 7) including consideration of the following matters: a. the business rationale, b. estimated savings, c. consultation undertaken, d. legal and industrial risk assessment, and e. alternatives considered to achieve savings without involuntary redundancies, including natural attrition, redeployment and management of vacant positions.		No action		If Applicable, evidence that feasible Level 1 and Level 2 measures have already been implemented. The report addresses the 5 listed matters it needs to consider.

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Part A.6 a Within 90 days from commencement of the variation in order Council is to prepare and publicly consider a draft Revenue Improvement Strategy identifying lawful recurring revenue opportunities including fees, charges, commercial returns, grant opportunities and any special variation or rate review opportunities.	28 September 2026	Completed	The draft revenue improvement strategy is currently on public exhibit until 16 October 2026.	A copy of the draft Revenue Improvement Strategy (including evidence of public exhibit information)
Part A.6 b Within 120 days from commencement of this Variation in Order, Council must take into account any submissions made and adopt the final Revenue Improvement Strategy.	28 October 2026	In Progress	This act is not due until 128 October 2026.	A copy of the minutes confirming adoption.
Part A.7 Within 60 days from commencement of this Variation in Order, Council is to update the Finance and Governance Improvement Plan to include: a. all remaining PIO actions; b. responsible officers; c. milestone dates; d. quarterly status indicators; and e. forecast financial benefit where relevant.	29 August 2026	Completed	The SF&GIP has been updated and sent within the required timeframe.	An updated FGIP with all remaining PIO actions
Part B – Blue Haven Terralong Village and Strategic Assets PIO dated 30 June 2026				
Part B.8 Within 90 days from commencement of this Variation in Order Council is to prepare and provide to the Office of Local Government, at the time it is presented to councillors, the outline and timeframe for preparation of an independent business case for Blue Haven Terralong Village identifying the most sustainable long term operating model addressing: a. retention of the facility as an ongoing concern, including a defined funding plan, b. lease, partnership or joint venture options, c. divestment or disposal options, d. capital upgrade costs, e. fire safety compliance requirements,	28 September 2026	Completed	This act is not completed within the required timeframe.	A copy of outline and timeframe for preparation of an independent business case for Blue Haven Terralong that addresses the 8 requirements and concluding with preferred option and pathway.

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f. projected financial impacts over 10 years, g. risks associated with each option, and h. a recommended preferred option and implementation pathway.	29 August 2026	Completed	This act i on has been completed within the required t i meframe.	A copy of the funded works program which will be reviewed to ensure it has addressed PIO criteria.
Part B.9 Within 60 days from commencement of Variat i on Order Council i s to prepare a funded works program to address all crit i cal fire safety compliance issues at Blue Haven Terralong Village and commence implementat i on immediately thereafter.	28 September 2026	Completed	The draft Strategic Asset review is currently on public exhibit i on unt i l Friday 16 October 2026.	A copy of a strategic asset review which will be reviewed to ensure it has addressed PIO criteria.
Part B.10 a Within 90 days from commencement of Variat i on Order Council is to provide Office of Local Government with a Strategic Asset Review ident i fying: i. all non core property holdings; ii. estimated market value; iii. holding costs; iv. redevelopment or disposal constraints; and v. recommended actions and indicative timeframes.	28 October 2026	In progress	This act i on is not due unt i l 28 October	A copy of the minute confirming adopt i on
Part B.10 b Within 120 days from commencement of Variat i on Order Council must take into account any submissions made and adopt the final Strategic Asset Review				
Part C – Council's Financial Account i ng and Management Systems PIO dated 23 May 2024				
Part C.1 Fully implement Technology One by the end of the 2026/2027 year	30 June 2027	In Progress	This act i on is not due unt i l 30 June 2027	Any documentat i on that confirms Technology One is fully implemented. Copy of 2028 budget.
Part C.2 Restructure the presentat i on of the draft and published budgets detail programs and act i vit i es compared to current and previous years and funding sources for each capital project	-	In Progress		
Part C.3 Implement the governance recommendat i ons from the Hopwood Report the Auditor's Let t er from the 2021/22 audit	-	In Progress		1. Develop a roadmap or act i on plan outlining how and when the recommendat i ons will be implemented. For

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					any actions not adopted, Council should provide a clear rationale and, where the action is considered business as usual (BAU), evidence demonstrating that it already being addressed.	2. Auditor's letter 21/22 recommendations have been implemented. Please provide Management Letter to confirm.
Part D – Governance, organisational efficiency and reporting						
PIO dated 30 June 2026						
Part D.11 The outsourcing of domestic waste collection services is implemented throughout the duration of the Variation Order excluding those arrangements currently in place	Due Quarterly	In progress	Completed on: 15 October 2026	Certified by the GM every quarter that Council has complied with this PIO action.		
Part D.12 From commencement of the variation order, Council must provide monthly reports to the Office of Local Government within 15 days of the end of each month set out: a. cash, investments and reserves including restricted external, restricted internal and unrestricted balances, b. year to date operating result compared with budget, c. original annual budget compared with projected year end result; d. progress on savings initiatives, and e. any emerging financial risks	Due Monthly (15 days after end of month)	In progress	The submission of the Finance Report occurs two months in arrears due to Council meeting schedules and the audit requirements associated with the reports. Completed on the following dates – August – Investment Report only 15 September- Finance and Investment report 15 October - Finance and Investment report	A copy of the monthly report which will be reviewed to ensure it has addressed PIO criteria		

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Part D.13 From commencement of the variation in order Council is to provide quarterly reports (Sept, Dec, Mar, Jun) on the status of implementation of all actions in this Order within 15 days after the end of each quarter, including completed actions, actions in progress, overdue actions, delays together with applicable reasons, risks and corrective actions.	Due Quarterly (within 15 days after the end of each quarter)	In Progress	This report completed on 15/10/2026	A copy of this quarterly report which will be reviewed to ensure it has addressed PIO criteria
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Item 18.4

Attachment 2

Acknowledgement of country

Kiama Municipal Council acknowledges the Wodi Wodi people on Dharawal country as the traditional custodians of the land on which our Municipality is located. We pay our respects to Elders past, present and future. We are committed to honouring Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to our community.

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Introduction

This 12-month Strategic Finance and Governance Improvement Plan update provides a refreshed roadmap for delivering our strategic priorities, linking in the requirements of the varied Performance Improvement Order (PIO) issued to Council on 30 June 2026. This Plan factors in the changing operating environment and builds on the strong foundations established through the existing plan, recognising progress achieved to date while identifying areas requiring renewed focus and investment.

The update ensures our strategic direction remains relevant, responsive and aligned with Councils endorsed Operating plan for 2026-27, enabling Council to continue delivering meaningful outcomes and creating value for the community over the next 12 months.

This Plan should be read in conjunction with the Strategic Finance and Governance Improvement Plan (SF&GIP) endorsed in 2024 available [here](#), and both the varied PIO from 2024 and the varied PIO issued on 30 June 2026.

The varied PIO from 2024 and 2026 are required to be read together. There are four sections that Council are required to action over the next 12 months. Within the orders they are split into four sections, these are listed below:

- Part A – Council's financial management
- Part B – Blue Haven Terralong and strategic assets
- Part C – Council's financial accounting and management systems (from 2024 vPIO)
- Part D – Operational efficiency, governance and reporting

This version of the Strategic Finance and Governance Improvement Plan will be updated based on the milestones of the varied PIO over the next few months as Council develops a framework for strengthening Council's financial capacity through the effective management of new and existing revenue streams.

The Strategic Finance and Governance Improvement Plan focuses on five areas:

- **Focus area one:** Financial sustainability
- **Focus area two:** Sustainable Revenue Strategy
- **Focus area three:** Blue Haven Terralong and strategic assets
- **Focus area four:** Operational efficiency, governance and reporting
- **Focus area five:** Actions from previous PIO (Part C)

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To support transparent monitoring and reporting, strategic actions will be assessed using a traffic light rating system (as provided in the table below). Ratings will provide a consistent view of progress, risks, delivery confidence and enable timely intervention where required.

Status	Indicator	Definition
	On track	Action is progressing as planned and expected outcomes will be achieved within agreed timeframes.
	At risk	Action is experiencing challenges, delays, or emerging risks that require management attention.
	Off track	Action is significantly delayed, encountering major obstacles, or unlikely to achieve intended outcomes without intervention.
	Not Started or not due yet	Action has not yet commenced

Timeframes for reporting against the varied PIO for the Office of Local Government (OLG) have been included in the actions list in focus area four – Operational efficiency, governance and reporting.

Focus area one: Financial sustainability

Financial sustainability is the foundation of Council's ability to deliver services, maintain community assets and invest in the future needs of our municipality. It is about ensuring that current and future generations can continue to benefit from quality services and infrastructure without placing an unsustainable financial burden on the organisation or the community.

Achieving and maintaining a balanced budget is a key indicator of financial sustainability; demonstrating our commitment to responsible, sound governance and long-term financial resilience.

The financial environment in which Council operates continues to be shaped by increasing service demands, rising costs, ageing infrastructure and constraints on revenue growth. In this context, financial sustainability requires collective ownership across the Council. Every decision about services, projects, assets and resources has a financial impact and contributes to Council's overall financial position.

Actions for financial sustainability

	PIO section	PIO action/ Strategy	Council update	Milestone dates	Status tracker	Responsible officer
1.1	Part A - 2	Council must adopt an operational plan and annual budget for FY 2027/28 that demonstrates an operating position at or above break	Assigned to the Finance team	April 2027 (public exhibition) Before 30 June 2027		Chief Financial Officer
1.2	Part A – 3	Update the F&GIP to include strategy to increase cash balances, that are externally unrestricted, to a level sufficient as per the PIO - FY27: \$10.0M (Original Budget) - FY28: \$10.8M (LTFP)	Assigned to the Finance team	Before 30 September 2026		Chief Financial Officer
1.3	Part A – 4	Update the SF&GIP to set out Council's actions it will take over the next two budgets to break the practice of adopting deficit operating budgets	Assigned to the Finance team	Before 30 September 2026		Chief Financial Officer

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	PIO section	PIO action/ Strategy	Council update	Milestone dates	Status tracker	Responsible officer
1.3.1	As above	Break the practice of adopting deficit operating budgets, actions included: 1. KMC adopted FY27 budget Level 1 savings initiative Level 2 savings initiative 1. Actions under the revenue strategy 2. Actions under the Strategic Asset Review	Target Savings outlined in the FY27 budget. The revenue strategy outlines improvement initiatives and the Strategic Asset review outlines opportunities for improved use, redevelopment, leasing or sale.	29 September 2026		Chief Financial Officer
1.4	Part A - 5 (a)	Provide evidence of implementation of all feasible Level 1 budget improvements	Assigned to the Finance team	Before 30 June 2027		Chief Financial Officer
1.5	Part A - 5 (b)	Provide evidence of implementation of all feasible Level 2 budget improvements	Assigned to the Finance team	Before 30 June 2027		Chief Financial Officer
1.6	Part A – 5 (c)	Provide OLG a report on savings being implemented under paragraphs (a) and (b), including realised savings, one off savings and any savings not achieved	Assigned to the Finance team	Before 30 June 2027		Chief Financial Officer

Focus area two: Sustainable Revenue Strategy

A sustainable revenue base is essential to Council's long-term financial sustainability and its ability to deliver valued services, maintain critical infrastructure and invest in community priorities. Council must ensure that its revenue sources remain resilient, equitable and capable of supporting current and future needs.

The Sustainable Revenue Strategy provides a framework for strengthening Council's financial capacity through the effective management of new and existing revenue streams. This includes optimising rates, fees and charges, maximising grant funding, leveraging Council assets, and exploring innovative partnerships and revenue generating initiatives that align with Council's strategic objectives and community expectations.

Achieving and maintaining a balanced budget requires a focus on both expenditure management and revenue sustainability. A proactive and strategic approach to revenue enables Council to reduce financial risk, improve resilience and create greater flexibility to respond to emerging challenges and opportunities.

Actions for the Sustainable Revenue Strategy

	PIO section	PIO action/ Strategy	Council update	Milestone dates	Status tracker	Responsible officer
2.1	Part A – 6 (a)	Prepare and place a draft Revenue Improvement Strategy on public exhibition	The Draft Revenue Strategy has been completed and will be placed on Public Exhibition within the timeframe	15 September 2026		Chief Financial Officer
2.1.1	As above	Investigate Paid Parking 1. Undertake a parking study 2. Benchmark parking policies and pricing models 3. Identify paid parking locations 4. Develop a business case	Included in the draft Revenue Strategy	29 September 2026 29 October 2026		Director Infrastructure and Operations

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2.1.2	As above	Fees and Charges review	Included in the draft Revenue Strategy	29 September 2026 29 October 2026		Chief Financial Officer
2.1.3	As above	Special Rates Variation 1. Engage the community 2. Seek Council resolution 3. Develop an implementation plan 4. Commence application with IPART	Included in the draft Revenue Strategy	29 September 2026 29 October 2026		Chief Financial Officer
2.2	Part A – 6 (B)	Adopt the final Revenue Improvement Strategy	Assigned to the Finance team	Before 30 October 2026		Chief Financial Officer

Focus area three: Blue Haven Terralong Village and strategic assets

Council must make informed decisions about how its asset portfolio is managed including the Blue Haven Terralong Village. This includes not only maintaining and renewing essential assets but also ensuring that all assets continue to provide strategic value and align with Council's long-term objectives.

A key component of this strategy is the review all of Council's non-core asset holdings. This review will assess whether assets continue to support service delivery, community outcomes and organisational priorities, and identify opportunities to repurpose, rationalise, divest or better utilise underperforming assets. By optimising the overall asset portfolio, Council can reduce ongoing costs, unlock value and redirect resources towards priority services and infrastructure.

Actions for Blue Haven Terralong and strategic assets

	PIO section	PIO action/ Strategy	Council update	Milestone dates	Status tracker	Responsible officer
3.1	Part B - 8	Prepare and provide to the OLG and Councillors the outline and timeframe for preparation of an independent business case for the future of Blue Haven Terralong Village identifying the most sustainable long term operating model	This document has been sent within the timeframe	29 September 2026		Chief Executive Officer
3.2	Part B – 9	Prepare a funded works program to address all critical fire safety compliance issues at Blue Haven Terralong and commence immediately thereafter	The document has been sent within the timeframe	29 August 2026		Director Infrastructure & Operations
3.3	Part B – 10 (a)	Provide OLG with a Strategic Asset Review identifying the components as per the PIO	The draft strategic asset review will be placed on exhibition following the September Council meeting.	15 September 2026		Manager Property and Commercial

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3.3.1	As above	Optimise Council's property portfolio 1. Identification of surplus core property 2. Commercialisation of non-core property 3. PPP for Catalyst sites	This is within the draft strategic asset review	29 September 2026 29 October 2026		Manager Property and Commercial
3.4	Part B – 10(b)	Consider any submissions and adopt the final Strategic Asset Review	Assigned to the Manager, Property and Commercial	20 October 2026		Manager Property and Commercial

Focus area four: Operational efficiency, governance and reporting

Operational efficiency is essential to Council's ability to deliver sustainable, quality services while responding to growing community expectations and financial sustainability. It is about maximising the value of every resource by continuously improving the way we work, streamlining processes, streamlining systems and ensuring that effort and investment are focused on activities that deliver the greatest benefit.

Achieving greater operational efficiency means working smarter. By simplifying processes, leveraging technology, reducing duplication and improving service delivery models. This enables the organisation to meet its obligations, maintain service standards and invest in strategic priorities without increasing financial pressure.

Operational efficiency is a shared responsibility across the organisation. Small improvements made consistently across the organisation can collectively deliver significant benefits for both service delivery and financial performance.

Actions for operational efficiency, governance and reporting

PIO section	PIO action/ Strategy	Council update	Milestone dates	Status tracker	Responsible officer
4.1 Part A - 7	Update the SF&GIP as per the requirement on the order	The document has been sent within the timeframe	30 August 2026		Executive Manager Organisational Reform
4.2 Part D - 12	Monthly reports to the OLG within 15 days of each month – as per the order	July Investment report sent in August 2026	15 August 2026 15 September 2026 15 October 2026 15 November 2026 15 December 2026		Executive Manager Organisational Reform
4.3 Part D – 13	Quarterly reports within 15 days after the end of each quarter	This has been assigned to the Executive Manager Organisational Reform	30 September 2026 31 December 2026 31 March 2027 30 June 2027		Executive Manager Organisational Reform

Focus area five: Outstanding actions from previous Varied Performance Improvement Order (PIO)

These actions are outstanding from the previous varied PIO and have been included in version 2 as they are actions essential to closing the gap between Council's current financial position and its objective of the PIO:

- By 30 June 2027, Council must adopt an operational plan and annual budget for FY 2027-28 that demonstrates an operating position at or above break even before capital grants and contributions and excludes reliance on proceeds from asset sales.

The following actions have been identified as priority initiatives requiring focused attention and organisational commitment.

PIO section	PIO action/ Strategy	Council update	Milestone dates	Status tracker	Responsible officer
5.1 PIO 2024 Part C - 2	Fully implement TechOne by the end of 2027-28	This has been assigned to the Executive Manager Organisational Reform	30 June 2027		Executive Manager Organisational Reform
5.2 PIO 2024 Part C - 3	Restructure the presentation of the draft and published budgets to detail programs and activities compared to current and previous years funding sources for each capital project	Assigned to the Finance team	30 June 2027		Chief Financial Officer
5.3 PIO 2024 Part C - 4	Review the Hopwood report and provide OLG evidence of implementation and an outline of recommendations that were not accepted.	This has been assigned to the Executive Manager Organisational Reform	30 October 2027		Executive Manager Organisational Reform
5.4 PIO 2024 Part C - 4	Provide evidence of implementation of the Auditors letter from 2021-22 audit to OLG	Assigned to the Finance team	30 October 2027		Chief Financial Officer

Conclusion

Achieving long-term financial sustainability requires clear choices, disciplined decision-making and a commitment to continuous improvement across the organisation. The strategies outlined in this plan strengthen Council's financial position through responsible management, operational efficiency, sustainable revenue growth and asset management.

By working together to deliver the actions identified in this strategy, Council will be better positioned to achieve and maintain a balanced budget, strengthen organisational resilience, and ensure that it can continue to provide sustainable services and infrastructure.

Through ongoing monitoring, accountability and adaptation, Council will continue to build a financial organisation capable of meeting changing community needs while delivering on its long-term vision and objectives.

Authorisation and version control

Owner/Responsible Officer	Chief Executive Officer
Department	Office of the CEO
Date adopted/endorsed	30 August 2026
Resolution number (if applicable)	[number]
Next review date	29 September 2026
TRIM reference	26/80514

Variation and review

The Strategy should be reviewed in line with the Varied Performance Improvement Order and was reviewed on the 29 September 2026.

Date reviewed	Date adopted/endorsed	Brief detail of amendments
14 September 2026	14 September 2026	Minor administration
29 September 2026	29 September 2026	Added in strategy for cash balances and new revenue opportunities Meet requirements of PLO Part A (3) and (4)
14 October 2026	14 October	Updated as the OLG quarterly reporting requirements

Council reserves the right to review, vary or revoke this Strategy.

Respect

Innovation

Integrity

Teamwork

Excellence

How to
contact council

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Online

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in

In person

Our Administration Building located
at 11 Manning Street Kiama is open
8.45am to 4.15pm Monday to Friday
(excluding public holidays)



KIAMA MUNICIPAL COUNCIL

your council, your community

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Attachment 2

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