




FINANCIAL SUSTAINABILITY PROGRAM



2024-25 Quarterly Report - Quarter 3


Reporting Period: January - March 2025


Financial Sustainability Strategy



Delivering Best Value to our Community



Action Code	Action Name	Performance Measure	Due Date	Progress	Status	Comments
17.1.1	FSP Action 2 - Delivery of identified cost savings: Implement actions to achieve the \$500,000 General Fund cost saving target included within the LTFP	Cost saving items amounting to \$500,000 identified	30/06/2025	100%		<p>The initial \$500,000 savings have been identified by not filling vacated positions including Corporate Projects Manager, Corporate Services Group Manager and several other lower level positions. A further \$1.0M savings have been identified and included in the December Quarterly Budget Review.</p> <p>A further \$0.4M one off savings have been identified this year and included in the March Quarterly Budget Review.</p> <p>This amounts to \$1.9M of savings in this initiative to date. Of this \$1.7M relates to general fund and \$0.2M to Water and Sewer.</p>
		Progress on achievement reported to Council as part of Quarterly Corporate Performance reporting	20/08/2024 19/11/2024 18/02/2025 20/05/2025			



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17.1.2	FSP Action 3 - Asset management: Implementation of actions identified within Council's adopted Strategic Asset Management Plan (SAMP)	SAMP reviewed	31/10/2024	75%		<p>An Asset Management session was held with Councillors in February 2025. Review of the SAMP has been completed, and the draft SAMP was presented to the April 2025 council meeting as a part of the IP&R suite of documents and has been placed on public exhibition.</p> <p>The final SAMP will be brought back to the June 2025 council meeting for adoption.</p>
		Asset management workshop with newly elected Council	31/01/2025			
		Revised SAMP adopted as part of 2025-26 IP&R document suite	30/06/2025			
17.1.3	FSP Action 4 - Service reviews: Development and implementation of a prioritised service review framework	Service Review methodology, approach and prioritised plan reported to council	31/07/2024	75%		<p>The Service Review Framework / methodology has been finalised and adopted at ELT. The council services to be reviewed during the new term have been identified and included in the draft 4-Year Delivery Program which is currently on public exhibition.</p> <p>A pilot service review has commenced and is due to be completed by the end of June 2025.</p> <p>Non-core services have been identified with an update due to be distributed to Councillors in the near future for further discussion.</p>
		Service reviews undertaken as per Council adopted plan and results reported to Council quarterly as part of the quarterly Corporate Performance report	19/11/2024 18/02/2025 20/05/2025			
		Review non-core services and recommend to Council any that can be ceased and \$ savings that will be achieved	31/03/2025			

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17.1.4	FSP Action 5 - Fees and Charges: Review appropriateness of fees and charges	Fees and Charges reviewed as part of 2025-26 IP&R process and improved financial outcomes quantified and included in draft IP&R 2025-26 council report	31/03/2025	90%		<p>The 2025-26 Fees and Charges were prepared and presented to the April 2025 council meeting as a part of the IP&R suite of documents and are currently on public exhibition.</p> <p>As part of the Fees and Charges development process, senior staff were engaged to ensure that the Fees and Charges set are appropriately costed and any new Fees and Charges identified have been included into the draft document.</p>


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17.1.5	FSP Action 16 - Procurement and Contract Management: a) Develop and implement a procurement strategy to support sustainable service delivery, reduction in third party costs and improved supplier relationships b) Implement a contract management framework to support sustainable service delivery, reduction in third party costs and improved supplier relationships	Procurement Strategy and updated Procurement Policy reported to Council	30/06/2025	75%		There have been some delays in progressing this action due to resourcing challenges. Council's procurement strategy and procurement policy are current and not due to be updated until 2028.
		Plan and prepare for the implementation of Ready Community to replace SynergySoft and Altus, improving functionality, integration and data quality	30/06/2025			Council's internal Procurement Procedure which considers the procurement service delivery model is currently being reviewed and expected to be completed and presented to ELT for adoption by 30 June 2025.
		Review the service delivery model for Procurement services within Council	30/06/2025			Planning for the implementation of Ready Community transition is being considered/addressed under Council's Digital Strategy for implementation over the new 4-year term of council.
		Continued embedding of the Procurement and Contract Management Framework (PCMF) within Council	Ongoing			Embedding the procurement and contract management framework within council and improvements to procurement reporting are ongoing as a part of council's business as usual work.
		Continue to optimise monitoring and reporting delivered to Management, the Executive, Procurement Advisory Committee and ARIC to deliver increased accountability and transparency of procurement processes	Ongoing			



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17.1.6	FSP Action 17 - Development Contribution Plans: Develop rolling program of review and refinement of Developer Contribution Plans to ensure future development pays for growth related infrastructure	Implementation of developer contribution business process improvements	30/06/2025	90%		<p>This improvement action aims to combine the existing, separate Developer Contribution plans into one centralised plan.</p> <p>The new draft, combined Developer Contribution Plan has been prepared by the consultant.</p> <p>The plan will be reviewed by ELT, before being brought to a future council meeting to be placed on public exhibition.</p>
17.1.7	FSP Action 19 - Financial management: Sewer Funding Model	Continue to advocate to State and Federal governments to secure additional grant funding	Ongoing	75%		<p>Council has continued to advocate at State and Federal Government level for further grant funding for both the Sewer and Water major capital works programs.</p> <p>An application was submitted in September 2024 for the Australian Government's Housing Support Program.</p> <p>So far Council has been successful in securing just over \$105M in funding for the Water and Sewer Capital Works Programs.</p>


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17.1.8	FSP Action 20 - Kempsey Airport: Airport feasibility review	Project plan developed	30/06/2024	100%		Project plan has been developed, and consultation with user groups and government agencies has concluded. Aviation consultant, Aviation Projects, has prepared a draft feasibility report, which was presented to Councillors in November 2024; Council accepted the report's recommendations.
		Feasibility undertaken and recommendations reported to Council	28/02/2025			
17.1.9	FSP Action 21 - Slim Dusty Centre (SDC): Operational and business plan review of all SDC functions in café, retail, functions and events, gallery and museum	Operational and business plan review completed and reported to Council with recommended financial improvements	30/09/2024	75%		<p>Key Employment commenced management of the cafe and officially launched on 31 March 2025. Renovation of the Centre is close to completion.</p> <p>A summary of the review of the operational and business plan will be reported to Council in August 2025, with the SDC 2025-26 annual report.</p>


Action Code	Action Name	Performance Measure	Due Date	Progress	Status	Comments
17.1.10	FSP Action 22 - Aquatic Facilities: Aquatic Strategy	Develop a longer-term Aquatic Strategy that considers long-term suitability and financial sustainability of all swimming pools	30/06/2025	40%		<p>Specialist engineers and designers have commenced their review of Council facilities to inform the longer-term strategy.</p> <p>Staff continue to deliver actions adopted in the draft Aquatic Strategy 2033 and will undertake further works at Kempsey Pool in the off-season.</p> <p>This action will continue into the 2025-26 year.</p>
17.1.11	FSP Action 23 - Property portfolio: Review of property assets	Undertake a review of Council's property portfolio to identify properties that are of no strategic or operational value	31/12/2024	50%		<p>Staff have reviewed Council's Property Portfolio and identified a list of properties of no strategic or operational value.</p> <p>The list of unneeded properties / options for development or improvement of other property will be presented to Council in 2025.</p> <p>A new system is currently being implemented to support improved management of council property.</p> <p>This action will continue into the 2025-26 year.</p>
		Develop a plan to dispose of unneeded properties to increase unrestricted cash reserves	30/06/2025			
		Develop plan for properties that may be suitable for future development	30/06/2025			



Excellence in Financial Management


Action Code	Action Name	Performance Measure	Due Date	Progress	Status	Comments
17.2.1	FSP Action 1 - Vision for a financially sustainable future for Kempsey Shire Council: Facilitated workshop with Councillors and senior Council staff to define the future vision for a financially sustainable Kempsey Shire Council	Initial workshop within three months of 2024 council election	31/12/2024	75%		Workshop with Councillors held 4 November 2024.
		Finalise vision and updated Financial Sustainability Program adopted as part of 2025-26 IP&R document suite	30/06/2025			Financial sustainability report addressing key 2025-26 planning assumptions was presented to the February 2025 council meeting to confirm, amongst other things, proposed rate increase from 1 July 2025.
		Define and adopt integrated financial and asset management targets such as: (i) Operating Result %; (ii) unrestricted cash balance; (iii) asset renewal ratio; and (iv) infrastructure backlog %	30/06/2025			This has enabled completion of draft LTFP and other IP&R documents which were presented to the April 2025 council meeting and are now on public exhibition. Draft IP&R documents include proposed financial and asset management targets.


Action Code	Action Name	Performance Measure	Due Date	Progress	Status	Comments
17.2.2	FSP Action 6 - Treasury management: a) Establish and adopt a Restricted Assets Policy b) Develop a Debt Policy outlining how debt will be used, linking intergenerational equity and the consumption of assets across the useful life c) Develop an Investment Strategy that outlines how Council will invest available resources	Strategies and policies presented to councillors and workshopped within three months of 2024 council election	31/12/2024	25%		<p>First drafts of Restricted Assets, Borrowings and Investment Policies completed and awaiting review by senior staff.</p> <p>The delay is related to staffing changes, staff absences and competing priorities such as Integrated Planning and Reporting (IP&R).</p> <p>This action will continue into the 2025-26 year.</p>
17.2.3	FSP Action 7 - Treasury management: Obtain access to NSW Treasury Corporation (T-Corp) for future loan borrowings	Continue working with T-Corp to negotiate access for future loan borrowings	30/06/2025	75%		<p>An initial face to face meeting with NSW Treasury Corporation (T-Corp) was held to discuss accessing lower cost loans in the future.</p> <p>T-Corp recommended we send Council's 2025-26 Long-Term Financial Plan to them in April 2025 to be assessed by their credit department for potential borrowings before 30 June 2025.</p> <p>An application to T-Corp will be submitted in early May 2025.</p>

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17.2.4	FSP Action 8 - Employee cost management: Implementation of enhanced processes and controls to manage employee costs	Review organisation establishment to baseline and align with service outcomes	30/06/2024	100%		The Executive Leadership Team (ELT) in consultation with the Senior Leadership Team and People & Culture have undertaken a full review of the staff establishment.
		Implement revised oversight and controls of establishment	31/07/2024			A process is now in place for all vacant positions to be presented to ELT for consideration prior to any changes/recruitment or reductions to the overall establishment level.
		Revised Workforce Management Plan adopted with clear actions to enable employee cost management	30/06/2025			The Workforce Management Plan has been reviewed as part of the new suite of IP&R documents with the revised plan presented to Council in April 2025.
		Leave management performance targets included in 2024-25 KPIs and reported to Council as part of Quarterly Corporate Performance reporting	20/08/2024 19/11/2024 18/02/2025 20/05/2025			<p>This draft plan is now on public exhibition, and the final plan will be brought to the June 2025 Council meeting for adoption.</p> <p>Leave management performance data continues to be collected and shared on a quarterly basis.</p>




Action Code	Action Name	Performance Measure	Due Date	Progress	Status	Comments
17.2.5	FSP Action 9 - Grants: Grant funding strategy, policy and framework is developed to clearly align with long-term financial sustainability objectives	Grants policy revised and adopted by Council	31/12/2024	45%		The Grants Policy has been prepared and was adopted at the February 2025 Council meeting.
		Grants procedures, framework and systems implemented to ensure improved grants management and that the impacts of grants on financial sustainability are considered before being lodged	31/12/2024			<p>A grants procedure has also been prepared, but a decision has been made to not adopt the procedure until the new grant management system 'Pulse' has been implemented as Pulse will see the need for the procedure to be updated again.</p> <p>Pulse Grant Management System implementation is currently in the final testing phase and administrator training has been completed. At this stage, Pulse is scheduled to go live in July 2025.</p> <p>This system implementation will include a pre-approval process to ensure the impact of financial sustainability is considered before grant applications are lodged.</p> <p>A grants framework and procedures are also in development to support the new system / improved grants process rollout.</p>


Action Code	Action Name	Performance Measure	Due Date	Progress	Status	Comments
17.2.6	FSP Action 11 - Macleay Valley Coast Holiday Parks (MVCHP): MVCHP commercial and financial management	Where appropriate, revise and exhibit Holiday Park Concept Plans to improve profitability	30/06/2025	50%		<p>Project delivery is ongoing across the parks as planned.</p> <p>Councillors will be briefed on the Macleay Valley Coast Holiday Park actions and Concept Plans in May 2025.</p> <p>This action is ongoing and will continue into 2025-26.</p>
		Execute on 2024-25 financial year actions identified in adopted holiday park concept plans	30/06/2025			
		Commence planning for end of current 10-year management agreement in 2027	30/06/2025			
17.2.7	FSP Action 12 - Corporate governance: Audit, Risk & Improvement Committee (ARIC) scope is extended to include an increased focus on longer term financial sustainability outcomes	Status of delivery of Financial Sustainability Program actions reported to ARIC quarterly	As per ARIC meeting timetable	75%		<p>ARIC is being provided with updates on the status of the Financial Sustainability Program at each ARIC meeting. Some cost saving opportunities were identified in the Council Works Depot audit. One specific item was included in the new Innovation Portal.</p> <p>Internal Audit completed a management-requested desktop review which identified several potential opportunities to increase revenue at Council.</p> <p>Internal Audit continues to consider cost saving opportunities where relevant during internal audits.</p>

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17.2.8	FSP Action 14 - Financial management: Continuous improvements are made to Council's budgeting and forecasting processes	Further integration of annual budgets and LTFPs with Delivery Program, Operational Plan, SAMP and Workforce Management Plans	30/06/2025	85%		<p>The draft Integrated Planning and Reporting (IP&R) process used asset management data to draft the 10-year capex replacement programs and inform the SAMP, LTFP, Delivery Program and Operational Plan.</p> <p>The LTFP, SAMP, Delivery Program and Operational plan have an improved level of integration through matured systems, data and closer working relationships and co-ordination across business units.</p> <p>Integration of the workforce management plan with the other IP&R documents is not at the same level.</p> <p>Further budgeting and forecasting improvements have been made by building detailed labour establishment models for more accurate labour forecasting, as well as cross skilling across the team.</p>

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17.2.9	FSP Action 24 - Waste management: Commercial and operational review of waste services (including domestic waste, commercial waste, landfill operations, waste transfer stations)	Undertake a review of the operational and commercial performance of waste services to identify operational and financial improvements	30/06/2025	40%		Consultant has been engaged to scope the Waste Management Centre 30 Year Master plan with a site visit held in February 2025 and scope of works has now been finalised and is underway.

Striving to Deliver Better Practices

Action Code	Action Name	Performance Measure	Due Date	Progress	Status	Comments
17.3.1	FSP Action 10 - Project Management: Continued implementation of project management improvements	Identified Internal Audit actions (Q1 2024 internal audit report) are closed by due dates	All actions closed by due dates	100%		All internal audit actions have been closed by the due dates.
17.3.2	FSP Action 13 - Fleet management: Fleet optimisation and efficiency improvements	Investigate use of electric vehicles with recommended strategy developed	30/06/2025	75%		EV charging station location and funding agreed in December. Order placed which will allow EV to be purchased and trialled.
		Implement fleet management system to optimise fleet utilisation and achieve increased diesel fuel rebates	30/06/2025			GPS installation has commenced, and staff training is being rolled out in April-May 2025. Development of business processes to ensure accurate Fuel Rebate capture is also underway.
17.3.3	FSP Action 15 - Innovation portal: Develop and implement an innovation portal to allow capture and refinement of business improvement initiatives from staff across the organisation, inclusive of cost reduction opportunities	Innovation portal developed and launched to staff	31/12/2024	100%		The innovation portal was implemented in October 2024 and innovation ideas with a focus on financial sustainability are being received from staff and assessed by the senior leadership team on a monthly basis. Where appropriate, ideas will be included and considered as a part of the development of the new IP&R suite of documents.
		Ideas assessed and included in future IP&R documents where appropriate	30/06/2025			

Action Code	Action Name	Performance Measure	Due Date	Progress	Status	Comments
17.3.4	FSP Action 18 - Financial management: Rating structure review	Design, review, and implement rating structure(s) that are fair and equitable, across and within the residential, farmland and business categories	30/06/2025	25%		The review of the rating structure will continue to progress this financial year as planned with a consultant having been engaged, however, due to the complex nature of this body of work and the fact that there is no direct impact on financial sustainability outcomes, implementation of any proposed changes will be deferred to a future year.