



SUSTAINABLE COMMUNITIES ADVISORY COMMITTEE MEETING

To be held at 5pm on

Tuesday 26 March 2024

Kiama Council

Manning Street, KIAMA NSW 2533

Order of Business

- 1 Apologies
- 2 Acknowledgement of Traditional Owners
- 3 Declarations of Interest
- 4 Confirmation of Minutes of Previous Meeting
- 5 Business arising from the minutes
- 6 Report of the Director Planning, Environment and Communities
- 7 Reports for Information
- 8 General business
- 9 Closure

Members

Cr Neil Reilly, Mayor
Cr Imogen Draisma
Michael Bowden
Narreda Grimley
Liam Pettigrew
Alan Smith
Jessica Rippon | Director
Planning, Environment and
Communities

20 March 2024

To the Chair and Committee members:

NOTICE OF SUSTAINABLE COMMUNITIES ADVISORY COMMITTEE MEETING

You are respectfully requested to attend a **Sustainable Communities Advisory Committee Meeting**, to be held at **Kiama Council, 11 Manning Street, KIAMA NSW 2533** on **Tuesday 26 March 2024** commencing at **5pm** for the consideration of the undermentioned business.

Yours faithfully



Jessica Rippon
Director Planning, Environment and Communities

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**AGENDA FOR THE
SUSTAINABLE COMMUNITIES ADVISORY COMMITTEE
TUESDAY 26 MARCH 2024**

1 APOLOGIES

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

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

3 DECLARATIONS OF INTEREST

Confirmation of Minutes of Previous Meeting

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

4.1 Sustainable Communities Advisory Committee - 27 February 2024

Attachments

1 Minutes - 27 February 2024 [↓](#)

Enclosures

Nil

RECOMMENDED

That the Minutes of the Sustainable Communities Advisory Committee meeting held on 27 February 2024 be received and accepted.

Item 4.1



MINUTES OF THE SUSTAINABLE COMMUNITIES ADVISORY COMMITTEE MEETING

commencing at 5pm on

TUESDAY 27 FEBRUARY 2024

Joyce Wheatley Centre
Terralong Street, KIAMA NSW 2533

**MINUTES OF THE SUSTAINABLE COMMUNITIES ADVISORY COMMITTEE 27
FEBRUARY 2024**

**MINUTES OF THE SUSTAINABLE COMMUNITIES ADVISORY
COMMITTEE**

**HELD AT KIAMA MUNICIPAL COUNCIL
ON TUESDAY 27 FEBRUARY 2024 AT 5PM**

PRESENT: Michael Bowden
Narreda Grimley
Liam Pettigrew
Alan Smith
Jessica Rippon | Director Planning, Environment and Communities

1 APOLOGIES

Cr Neil Reilly, Mayor
Cr Imogen Draisma

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

The Director Planning, Environment & Communities declared the meeting open and acknowledged the traditional owners:

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

3 DECLARATIONS OF INTEREST

Nil

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

4.1 Confirmation of Minutes of Committee Meeting - 28 November 2023

RECOMMENDED

That the Minutes of the Sustainable Communities Advisory Committee meeting held on 28 November 2023 be received and accepted.

**MINUTES OF THE SUSTAINABLE COMMUNITIES ADVISORY COMMITTEE 27
FEBRUARY 2024**

5 BUSINESS ARISING FROM THE MINUTES

Nil

6 REPORTS FOR INFORMATION

The following Reports for Information be received and noted:

- 6.1 Priorities and Strategies for 2024
- 6.2 Growth and Housing Strategy
- 6.3 Economic Health Check

6.1 Priorities and Strategies for 2024

- Caretaker period to commence in August.
- Priorities for now until August:
 - Growth and Housing Strategy;
 - Coastal Management;
 - Community Hubs – Leisure Centre Review has been completed. Next step to provide the report to the public.
 - Compliance Policy.

6.2 Growth and Housing Strategy

- Media release on 29 February 2024.

6.3 Economic Health Check

- Document to be circulated to Committee members.

7 GENERAL BUSINESS

NIL.

8 CLOSURE

There being no further business the meeting closed at 6.00pm

5 BUSINESS ARISING FROM THE MINUTES

6 REPORT OF THE DIRECTOR PLANNING, ENVIRONMENT AND COMMUNITIES

6.1 Growth and Housing Strategy Community Engagement

CSP Objective: Outcome 4.1 We love where we live; our housing reflects our values.

CSP Strategy: 4.1.3 Manage growth sustainably and thoughtfully.

Delivery Program: 4.1.3.1 Local Housing Strategy facilitates the provision of adequate housing supply within the Municipality

Item 6.1

Summary

Council is commencing a comprehensive and innovative conversation with the community about growth. Through this conversation, Council staff will be developing a Growth and Housing Strategy to support and shape the future of the LGA. This pivotal piece of work for both the organization, State Government and the community will be integral in shaping the future of our Municipality.

Financial implication

Budget has been allocated for the completion of the project within this financial year. Resources have also been allocated to support the strategy completion.

It is noted that the findings of the strategy and proposed growth locations will ultimately have a financial impact on Council both through revenue options, additional service provision needs, demands for resources and development of supporting infrastructure.

The financial impacts and opportunities of the growth process are being carefully considered as part of the strategy development.

Risk implication

There is a tight timeframe for delivery of the project and work is occurring to ensure that requirements can be met and engagement can remain meaningful throughout the project.

Multiple development fronts continue to occur with many concurrent projects and planning proposals being put forward to Council. There is a risk that resources will be pulled away from the core strategy development. It is therefore essential that this strategy is seen as a core priority of Council and that the planning team will be focused on the delivery of this document.

Policy

State Government Housing Strategy Guideline.

Illawarra Shoalhaven Regional Plan.

Report of the Director Planning, Environment and Communities

6.1 Growth and Housing Strategy Community Engagement (cont)

Consultation (internal)

A project team has been created and significant internal consultation is occurring to support the development of the strategy.

Communication/Community engagement

This report provides the overview for the community engagement process that will be followed for the development of the Growth and Housing Strategy.

Attachments

- 1 Working Draft - Engagement Plan Growth and Housing Strategy [↓](#)

Enclosures

Nil

RECOMMENDATION

That the Committee note the comprehensive engagement plan to develop a Kiama Growth and Housing Strategy.

Background

In 2022 Council staff commenced work on the development of a Kiama Housing Strategy. The intent was to develop a plan that reflected the Department of Planning Housing Strategy Guidelines, with a focus principally on housing supply. Although such a strategy is not compulsory for regional councils, the intent was to align Council with other Councils of metro Sydney. Focus for the project was aligning the completion of the Housing Strategy and the process, steps to be taken in strict accordance with the Department of Planning Housing Guidelines. The [Local Housing Strategy Guideline](#) outlines the steps to be taken, content and has been provided by the Department to “support and guide councils to develop their local housing strategies”.

A Housing Reference Group was also established to support the community engagement for the project. However, at this time Council resolved not to proceed with the Housing Reference Group and a review of all Council Committees occurred. A restructure of the organisation was also undertaken, and review of strategy priorities occurred, including consideration of available resources at the time.

With the creation of the Greater Cities Commission Regional Plans and City plans and the inclusion of the Illawarra Shoalhaven in this work, the Housing Strategy had been paused to await the outcome of both this work and the expected housing targets it would present. Changes at a State level also occurred and MOG transitions have moved the Greater Cities Commission into the Department of Planning

Regardless of ongoing changes at a State level, following the completion of several other priorities, the planning team’s key priority in 2024 is to undertake development of the Growth and Housing Strategy. This will commence with a detailed engagement process that aims to commence an intelligent and robust conversation with the community about growth.

Report of the Director Planning, Environment and Communities

6.1 Growth and Housing Strategy Community Engagement (cont)

Growth and Housing Strategy

The resulting strategy and then subsequent plans (LSPS and LEP) will need to clearly articulate where, how and why growth will occur within the LGA and to carefully and appropriately manage this growth well.

As concluded through the Federal and State Government reforms and targets, the ability to just say “no” is no longer sustainable and supply will be instead forced upon the community rather than being appropriately located and strategically planned.

It is also expected that the State Government housing targets will be sustainably higher than any previous growth targets and Council needs to be proactive in providing a strategy that can accommodate these targets and create a pipeline of supply, whilst also including the provision of supporting infrastructure, social infrastructure and creating great communities.

Several components of background documentation and studies have now been completed to support the strategy development. These include:

- Vegetation Study
- Economic Analysis
- Economic Health Check

It must be noted that the development of a growth/ housing strategy can take time and require detailed evidence. The intent of this project is to commence this strategy development and continue to refine and build the evidence base. Not everything is known at this stage and actions from the strategy may include the need for further evidence base to be developed. Staff are also working with the Housing Guideline from the Department of Planning and seeking how this can be met through the process. Further development of the form and function of the strategy will occur through the community engagement process to clearly articulate the deliverables, timeframes and expected outcomes.

Coordination of Projects

As outlined to the community through media releases and community meetings Council is also combining engagement activities on two key priority projects for Council, the Community Engagement Strategy and the Growth and Housing Strategy to provide engagement opportunities for the community, where they are. This innovative approach seeks to hear a diverse range of voices and contributes to building lively and diverse discussions between Council and the community.

The State Government is also expected to commence discussions with the community about the draft Bombo Quarry vision. It is expected that this will be incorporated into the engagement process being undertaken for the Growth and Housing strategy to enable the community to actively engage at one time.

Project Objectives

The objectives of the project are as follows:

- Shape a prosperous, resilient and sustainable future for Kiama local government area (LGA).

6.1 Growth and Housing Strategy Community Engagement (cont)

- Ensure the community adapts to the inevitable changes in how we live and interact with our places, spaces and environment.
- Provide for a range of housing and employment supported by essential infrastructure, services and facilities that meets the future needs of the Kiama population and surrounds.
- Promote, protect and enhance our iconic natural environment now and for generations to come.
- Create safe, sustainable and connected places that support a quality life.
- Comprehensively engage with and be informed by the community.
- Represent best practice, contemporary and progressive planning and growth management in a manner that directly responds to the unique environment, including needs and challenges.
- Provide the foundation and necessary data inputs for Council’s new planning scheme and other growth-related initiatives being delivered by Council.
- Utilise different and unique engagement techniques to hear a broad range of unheard voices – target that at least half of population have heard and participate in the project.

Item 6.1

Community Engagement Activities – Phasing

Phase	Dates	Phase Title	Messages and Aims
Phase 1	March	“Commit and get ready”	1. Project overview and scene setting 2. Build understanding about: <ul style="list-style-type: none"> • How participants can be involved in the project and spread the news about the project • What are the expected activities that will roll out over coming months and what will this result in (completion of strategy) • The change that has occurred in Kiama over the past 30 years and how this change has helped to shape the places that are loved today. • The opportunities and challenges that growth presents and what this means to each person in the LGA. • The planning principles that will help shape the Kiama of the future and how community input has formed these.
Phase 2	March/ April	“Identify and Assess and Create”	1. Enliven and image our existing growth precincts and see the opportunity to plan for on the ground for growth.

6.1 Growth and Housing Strategy Community Engagement (cont)

Phase	Dates	Phase Title	Messages and Aims
			<ul style="list-style-type: none"> • Bombo Quarry • Dido Street • South Kiama • DA process Akuna Street • Gerringong release area <ol style="list-style-type: none"> 2. Provide the evidence base, vision, principles and opportunities for each precinct site. 3. Discussion Papers – places to work and places to live. 4. Topic papers/ though pieces released weekly online 5. Engage with industry and key stakeholder groups – face to face focus – focus on existing growth areas and pipeline of supply opportunities. 6. Early engagement with agencies on infrastructure provision and needs
Phase 3	May	“Shape the Strategy-Future Growth Opportunities”	<ol style="list-style-type: none"> 1. Transition from discussion about exiting growth locations to future options. 2. Continue to drill to next level detail (master planning/ precinct planning for identified sites 3. Engage in other opportunity/ lands options – Developer EOI options in identified precincts. 4. Focus on unheard stakeholders (including school students) 5. Seek answers and input to: <ul style="list-style-type: none"> • Is more needed? • If so where should this be located? • What should it look like? • What are our constraints? • Where are the gaps in knowledge, evidence and data? • What are our options? • What infrastructure is essential for delivery?
Phase 4	June	“Finalise the draft strategy”	<ol style="list-style-type: none"> 1. Data, evidence and draft options – engage with strategy content.

Item 6.1

Report of the Director Planning, Environment and Communities

6.1 Growth and Housing Strategy Community Engagement (cont)

Phase	Dates	Phase Title	Messages and Aims
			2. Focus on conveying what we heard and how this has informed strategy. 3. Initial draft documents consultation
Phase 5	July	“Draft strategy to Council and Community”	1. Formal exhibition of documentation
Phase 6	TBD	Adoption	

Item 6.1

Community Engagement Methods

A number of different community engagement methods will be utilised throughout the engagement process. As part of these methods a clear indication of the place within the IAP2 framework will be explained to the community. In order to build trust with the community it is imperative to explain what role they can play and cannot play in the decision-making process. Often the word engagement is used when Council can only inform the community or consult. Much of this project will be driven by decisions that have already been made through legislation, for example the decision to rezone South Kiama land to residential. Part of the approach to be used for this project is to clearly explain what can be influenced and where the community should place their efforts.

Taking time to provide input and feedback is valued and the intent is for this feedback and input to be about areas that can be influenced or changed rather than the community feeling their voices are not heard.

It is also a key aim for the engagement methods that have been selected to encourage input from unheard voices and to reach the majority of community, who may not have been previously engaged or who are not already actively engaged with Council.

Some of the methods selected and that will be utilised in the coming months include:

- Online project page and community engagement portal – various online feedback options will be provided so that feedback can be given from any location and at any time.
- Individual stakeholder interviews.
- Traditional communication methods (website, media release, social media).
- Community Summit.
- Discussion papers and blog posts.
- Youth Summit.
- Village visits and pop-up stalls.
- Release of post cards and other hard copy information at various venues.
- Meetings with precinct groups.

Report of the Director Planning, Environment and Communities

6.1 Growth and Housing Strategy Community Engagement (cont)

- Craft based activities and feedback that is families, children and youth focused at KMC Libraries and leisure Centre.
- Developer Forum – to engage with DA applicants and other stakeholders about the DA process, planning portal and other areas council is focusing on in the processing of development applications.
- Formal exhibition of the draft strategy.

A working draft engagement plan is attached to this report. This plan outlines the activities that have been proposed and the timing of these activities. It should be noted that the plan will be modified as the engagement process occurs to allow for variations to meet the needs of community and respond to feedback received. The timing and dates for events may also need to vary at times due to unexpected circumstances. The plan is provided as an overview of the process to be followed and expected deliverables throughout.

Conclusion

Our community can expect to be involved and part of a robust and diverse conversation on the role growth will play within our community, the opportunity it brings, the way in which change can be managed and the best places for growth to occur. Discussion will also include identifying those places that need to be protected and the values of landscapes (scenic etc.) that need to be fostered.

Further reports and updates will be provided to through reports on this project, including summary reports on the feedback that has been provided by the community.

Item 6.1

**Leading Growth for Good
Growth and Housing Strategy**

Project Objectives

- Shape a prosperous, resilient and sustainable future for Kiama local government area (LGA).
- Ensure the community adapts to the inevitable changes in how we live and interact with our places, spaces and environment.
- Provide for a range of housing and employment supported by essential infrastructure, services and facilities that meets the future needs of the Kiama population and surrounds.
- Promote, protect and enhance our iconic natural environment now and for generations to come.
- Create safe, sustainable and connected places that support a quality life.
- Comprehensively engage with and be informed by the community.
- Represent best practice, contemporary and progressive planning and growth management in a manner that directly responds to the unique environment, including needs and challenges.
- Provide the foundation and necessary data inputs for Council’s new planning scheme and other growth-related initiatives being delivered by Council.
- Utilise different and unique engagement techniques to hear a broad range of unheard voices – target that at least half of population have heard and participate in the project.

Note

The following engagement schedule has been developed to inform the proposed sequence and messaging of the project. This schedule will continue to be refined and additional inputs included as further collaboration occurs with the State Government and other stakeholders. It is proposed that additional social media, video and displays including posters etc will be used throughout the project – the timing of each is being refined to align with core engagement activities. These specifics will continue to be added to the schedule to provide a clear picture of every activity to be undertaken.

1

Leading Growth for Good – Community Engagement Schedule

Engagement – Overview

Phase	Dates	Phase Title	Messages and Aims
Phase 1	March	“Commit and get ready”.	<ol style="list-style-type: none"> 1. Project overview and scene setting 2. Build understanding about: <ul style="list-style-type: none"> • How participants can be involved in the project and spread the news about the project • What are the expected activities that will roll out over coming months and what will this result in (completion of strategy) • The change that has occurred in Kiama over the past 30 years and how this change has helped to shape the places that are loved today. • The opportunities and challenges that growth presents and what this means to each person in the LGA. • The planning principles that will help shape the Kiama of the future and how community input has formed these.
Phase 2	March/ April	“Identify and Assess and Create”	<ol style="list-style-type: none"> 1. Enliven and image our existing growth precincts and see the opportunity to plan for on the ground for growth. <ul style="list-style-type: none"> • Bombo Quarry • Dido Street • South Kiama • DA process Akuna Street • Gerringong release area 2. Provide the evidence base, vision, principles and opportunities for each precinct site. 3. Discussion Papers – places to work and places to live. 4. Topic papers/ though pieces released weekly online 5. Engage with industry and key stakeholder groups – face to face focus – focus on existing growth areas and pipeline of supply opportunities. 6. Early engagement with agencies on infrastructure provision and needs 7. Note Springside hill decision will have been made by Council regarding gateway
Phase 3	May	“Shape the Strategy- Future Growth Opportunities”	<ol style="list-style-type: none"> 1. Transition from discussion about exiting growth locations to future options. 2. Continue to drill to next level detail (master planning/ precinct planning for identified sites 3. Engage in other opportunity/ lands options – Developer EOI options in identified precincts. 4. Focus on unheard stakeholders (including school students)

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Leading Growth for Good – Community Engagement Schedule

Phase	Dates	Phase Title	Messages and Aims
			5. Seek answers and input to: <ul style="list-style-type: none"> • Is more needed? • If so where should this be located? • What should it look like? • What are our constraints? • Where are the gaps in knowledge, evidence and data? • What are our options? • What infrastructure is essential for delivery?
Phase 4	June	“Finalise the draft strategy”	1. Data, evidence and draft options – engage with strategy content. 2. Focus on conveying what we heard and how this has informed strategy. 3. Initial draft documents consultation
Phase 5	July	“Draft strategy to Council and Community”	1. Formal exhibition of documentation
Phase 6	TBD	Adoption	

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Leading Growth for Good – Community Engagement Schedule

Engagement Specifics and Schedule

Phase 1 : Project overview and ideation

Stakeholder focus

- Internal including Councillors.
- Community groups and already engaged community.
- Initial message to un- heard voices
- Childrens and families engagement – stage 1

Engagement Methods

- Councillor briefing
- Traditional communication tools (media release, social media)
- Digital and online tools
 - Including project specific online engagement platform social pinpoint and consider it
- Display in Kiama and Gerringong Library
- Pop up events Kiama farmers markets
- Project collateral (signage and postcards)

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Leading Growth for Good – Community Engagement Schedule

Code:
 Blue text – joint engagement with engagement strategy
 Purple text - joint engagement state or landowner
 Orange – concurrent events

Engagement Schedule Detailed Activities

Date	Engagement Activity	Detail	Location	Stakeholders	Responsibility
February 2024					
27 th Feb	Central Precinct meeting	Completed	JW	Precincts	JR
27 th Feb	Discussion Growth Strategy – Council Committees	Completed	JW	Council Committees	JR
	Media Release	Completed	Media	Media	Coms
Current	Akuna Street Exhibition of DA				
March 2024					
Tuesday 7 March	Meeting with Dept Planning Bombo Quarry Vision and Engagement Plan	Staff meeting with Dept to discuss vision and engagement interconnection	Online	Dpt Planning	JR
Monday 11 March	Project Page – Growth and Housing Strategy (live)	Updated project page and content for Council Website <ul style="list-style-type: none"> • Include background studies • Include best practice examples • Invitation to join mailing list • General have your say option 	Council website	All community	Coms and Strategic Planning
Monday 11 March	Meeting probity lawyer	Finalisation of probity plan and discussion	Online	Lawyer and Council	JR
Tuesday 12 March	Councillor Briefing – Growth	Briefing about the project and individual attendees for proposals before Council	Council Chambers	Councillors	JR and CL

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Leading Growth for Good – Community Engagement Schedule

Date	Engagement Activity	Detail	Location	Stakeholders	Responsibility
Monday 18 March	Invitations to Developer Forum released (n.b. this is not the EOI that is in phase 3)	Email/letter to customers and clients for developer forum	Email	Customers and Clients/ developers	Project Team
Monday 18 March	Invitation to Community Summit released	Email/letter to customers and clients for Community Summit	Email	All community	Project team
Monday 18 March	Media Release	Summits and forums – save the date	Media	All community	Coms and project team
Monday 18 March	Social Media Post Libraries	Project Awareness – link to site	Socials	All community	JR and teams
Monday 18 March	Social Media Post Leisure Centre	Project Awareness – link to site	Socials	All community	JR and teams
Tuesday 19 March	Council Meeting – Council report growth project	Council report – engagement with clts	Council	Councillors and community	JR
Thursday 21 March	Individual Conversations – existing community groups and sporting entities	Conversations to raise awareness of project, feedback opportunities and have your say	Various	Identified community groups	JR and Project Team
Thursday 21 March	Stakeholder Interviews	Up to 15 selected interviews with key stakeholders to seek their individual views on growth – these will be used to create case study/ views from the community in online and also face to face activities	Face to Face or teams	Key Stakeholders	Consultant
Thursday 21 March	Launch of online engagement platform and online survey	Social Pinpoint Web platform Include a range of online engagement options Blog posts	Online	All community	JR and Social Pinpoint
	Media release and social post	Social pinpoint web platform – have your say	Online	All community	Coms and project team
Friday 22 March	Discussion with KAPA	KAPA discussion linked with Community Engagement meeting	JW/ Council Chambers	Precinct Groups	Coms and JR/ CL

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Leading Growth for Good – Community Engagement Schedule

Date	Engagement Activity	Detail	Location	Stakeholders	Responsibility
Wednesday 27 th March	Agency Consultation	Forum with key agencies to discuss infrastructure, key precincts, gaps in knowledge and overview of project	Face to Face	Key agencies	Project Team

Phase 2 – “Identify and Assess and Create”

Stakeholder focus

- Industry
- Broad and un heard voices
- Families and children
- Specific existing community groups
- Outside community – including surrounding workers and visitors
- Agencies
- Precinct owners
- State government

Engagement Methods

- Children specific library activities
- Displays at key locations
- Discussion Papers
- Traditional communication tools (media release, social media)
- Digital and online tools
 - Including project specific online engagement platform social pinpoint and consider it
- Display in Kiama and Gerringong Library
- Pop up events
- Developer forum
- Community Summit
- Project collateral (signage and postcards)

Leading Growth for Good – Community Engagement Schedule

- Small group discussions

Engagement Schedule

Date	Engagement Activity	Detail	Location	Stakeholders	Responsibility
Monday 25 March	Child Specific Engagement – Kiama Libraries	Your Say Gerringong and Kiama Library - Draw and write on large cardboard houses- children based growth questions	Kiama Library Gerringong Library	Primary Children and Families	Project Team and Michelle and Carmelina
Wednesday 27 March	Launch of discussion paper – Employment lands	Discussion paper – Places to work Discussion paper – Growth	Online website	All community	ED team and project team
Wednesday 27 March	Kiama Farmers Markets – collaboration with engagement conversation Pop Up	Pop Up display	Kiama Markets	All community	Coms and CL and MB
Thursday 28 March	First Nations Consultation	First Nations focused consultation	Face to face	Aboriginal Community	Sharon and project team
End March	Likely commencement of Community Engagement for Bombo Precinct	Collaboration with State Govt on Bombo Vision	Various	All	State Govt
End March	Display Kiama Leisure Centre	Kiama over the years – change and growth	Kiama Leisure Centre	Mixed families etc	Project Team and Kiama Libraries
End March	Start of release of topic pieces – thought blogs and posts	Thought provoking, best practice examples and written pieces released to community via social media and online platform and e news (subscribers)	Online	All	Project team
April 2024					
Easter Week 1 April	No activities Precinct description and status updates on online portal	Specific information about Bombo Quarry, South Kiama and Dido Street Precinct – planning for our current growth locations	Online	All	JR and Project Team

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Leading Growth for Good – Community Engagement Schedule

Date	Engagement Activity	Detail	Location	Stakeholders	Responsibility
Week 1 April	Small Group table top discussions – about site specific precincts	Collaboration with state and also sustainable futures committee- discussion about precincts needs and places to work	Face to Face and online	All Community – specific selected participants	Project Team, Dept Planning and Consultants
Monday 10 April	Release of Listening Report Phase 1	Release of summary report on phase 1 engagement and part of phase 2 – to inform community summit		All Community	Project team
Thursday 11 April	Developer Panel Forum – partner with UIDA Committee	Stakeholder specific forum – project overview, focus areas, DA reform and infrastructure provision	Face to Face	Industry	Project Team
Friday 12 April	Community Summit	Futures Forum – two-hour public forum with thought leaders present their views on relevant global best practice examples and the potential relevance to Kiama's growth. Could be extended to a day summit program	Face to face	All community	Project Team and Consultants
Saturday 13 April	Community Pop Ups	Gerringong Jamberoo Gerroa Kiama Downs	Face to Face	Suburbs	Project Team
Tuesday 16 th April	Council Meeting – Report on Springside Hill	Decision on Springside Hill	Council	Council	JR
15-26 April	School Hols Focused Activities				
15-26 April	Mary Maker – Craft activity and engagement	Participate in a craft activity which discusses growth and change	Kiama Libraries	Families	Kiama Libraries
15-26 April	Youth Activities at Youth Centre	Youth Specific Surveys and Activities – future focus	Youth Centre	Youth	Youth Centre

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Leading Growth for Good – Community Engagement Schedule

Phase 3 – “Shape the Strategy- Future Growth Opportunities”

Stakeholder focus

- Industry
- Broad and un heard voices
- Families and children
- Specific existing community groups
- Outside community – including surrounding workers and visitors
- Agencies
- Precinct owners
- State government
- All Community
- Internal Stakeholders
- External Experts

Engagement Methods

- Refined discussion and data analysis
- Community workshops
- Developer EOI
- Traditional communication tools (media release, social media)
- Digital and online tools
 - Including project specific online engagement platform social pinpoint and consider it
- Project collateral (signage and postcards)
- Small group discussions
- Pop Up displays
- Youth Summit

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Leading Growth for Good – Community Engagement Schedule

Engagement Schedule

Date	Engagement Activity	Detail	Location	Stakeholders	Responsibility
Wednesday 8 May	Release of Summary report from Phase 2 consultation	Feedback to community – what we heard and how we are listening	All	All	Project team
May	Youth Summit	Youth Summit at Schools – seeking school age feedback and input – to be determined with schools – focus for term 2 – given existing school commitments	Face to Face	Schools	Project team and community development
Monday 13 May	Targeted engagement – disabilities, CALD, other	Detail to be determined – depending on feedback from earlier phases	Face to Face	Disadvantaged or missed community	Community Development team
Tuesday 14 May	Release of technical papers and background documents	Additional studies and documents – released for consideration by industry and other key community	Online		Project Team
Wednesday 15 May	Release of Developer EOI	Development industry – targeted EOI	Online		Project Team

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Leading Growth for Good – Community Engagement Schedule

Phase 4 – Finalise Draft

Stakeholder focus

- External Experts
- Internal stakeholders
- Communication broadly once completed – to all stakeholders

Engagement Methods

- Formal exhibition process
- Displays
- Online
- Drop in sessions
- Traditional communication
- Community workshops

Phase 4- June 2024

Date	Engagement Activity	Detail	Location	Stakeholders	Responsibility
June	Release of Summary report from Phase 3 consultation	Report of what has been heard and how we are listening	Online	All	Project Team
June	Draft Strategy and Options	Draft document – with options and considerations	Online and other platforms	All	Project Team and Consultant
June	Council reporting				Project Team
TBD	Roll out of formal exhibition activities				

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Leading Growth for Good – Community Engagement Schedule

6.2 Kiama Leisure Centre Service Review

CSP Objective: Outcome 1.2: We love where we live; we have the services and facilities we need the natural beauty of our surroundings enhances our active and healthy lifestyle.

CSP Strategy: 1.2.1 Provide facilities that enable us to participate in social, cultural, recreational and sports activities, no matter our background, ability or age.

Delivery Program: 1.2.1.4 Manage Leisure Centre services and administration for members and guests and provide fitness programs, classes and gym using purpose-specific equipment and a clean and safe environment.

Item 6.2

Summary

This report provides an overview of the Kiama Leisure Centre Service Review-Summary Report. This service review is part of the work that is being undertaken in accordance with the Performance Improvement Order. As outlined in previous reports and correspondence to Councillors and the community, staff with the support of external expert reviewers are working through several priority service reviews across the organisation.

The service reviews are being conducted to enable the KMC to take responsible and considered steps for financial sustainability. The review process enables Council to gain a full understanding of the current state of the operations, asset, staffing and resource allocations.

Service reviews also are part of the requirements under the Integrated Planning and Reporting Framework and legislated through the Local Government Act. Council needs to conduct service reviews on an annual cycle to ensure best practice and to review operations with current industry standards.

Council at its meeting on 15 November received and noted results of the 2022 KLC community survey; and at its meeting on 28 February 2023 resolved to undertake a service review of the Leisure Centre.

Council staff commenced the procurement phase and appointed Morrison Low consultants in late November to undertake the service review on behalf of Council.

This report provides an overview of the findings of the review and outlines the next steps in the process, including the development of an implementation plan, strategic plan and masterplan for the site and surrounds. Further internal and external consultation is also required to discuss the findings and options, in order to develop actions and next steps for both the asset, operations and program delivery.

It is imperative to understand that no decision has been made on any findings or recommendations. The report presented to Council is an independent report from the selected consultants Morrison and Low utilizing an industry and performance excellence framework, as well as industry benchmarks. Staff consultation has also occurred and the team at KLC have been informed throughout the process. Staff have also provided their input into the report through 1:1 interviews with the consultants.

Report of the Director Planning, Environment and Communities

6.2 Kiama Leisure Centre Service Review (cont)

All required processes under the award, including both staff and community consultation will be undertaken, if required, once firm options and proposals have been determined. Staff continue to be committed to working with all stakeholders to achieve financial sustainability and sustainable services for our community.

Financial implication

The Service Review findings and recommendations have several financial impacts and opportunities. These impacts and opportunities will need to be explored further through the decision-making process. Further information on financial impacts will be provided to Council as options are developed.

Risk implication

The Service Review has a number of findings that pose a risk to Council's operations and require close management. These are:

- Council managed/direct service delivery model requires a high degree of specialist industry expertise which currently lacks in some areas. Council has limited capacity to reduce operational costs which are driven by market forces, legislative requirements and community expectation. Meeting agreed service levels is challenging due to resource constraints and employee retention issues.
- Council engages a high number of casual employees at the KLC. Council may be exposed to industrial and safety risks.
- In 2022, a liability risk engineering assessment was conducted which resulted in 18 recommendations to better manage and mitigate liability risks. Some of these risks are outstanding and currently being followed up for implementation.
- As other commercial providers enter the market in areas of gym and fitness offerings, the KLC is at risk of losing more market share.
- The KLC has a long list of defects and accumulated maintenance issues.
- KMC directly employs staff in areas that are not traditionally provided by local government and could potentially be better serviced through the private sector.

Policy

Community Strategic Plan

Delivery Plan/ Program

Council resolution 28 February 2023.

Kiama Leisure Centre Strategy 2012.

Performance Improvement Order

Long Term Financial Plan

Consultation (internal)

During the course of the service review, consultation with internal staff was undertaken, including meetings, 1:1 interviews and written feedback. Industry benchmarking was also undertaken, including consultation with other councils.

Report of the Director Planning, Environment and Communities

6.2 Kiama Leisure Centre Service Review (cont)

Further consultation is required to discuss options and to assist through the decision-making process.

Communication/Community engagement

A communication plan has been developed to inform and brief staff and key stakeholders.

The following activities have occurred to date:

- 14 February 2024 - presentation to Financial Advisory Committee.
- 27 February 2024 - Internal Audit and Risk Committee.
- 29 February 2024 - Councillor Workshop.
- 7 March – 2 staff briefings/ updates with KLC staff.

The next phase in the communication plan is providing information to the community about the review and recommendations. Additional consultation opportunities and discussions will occur throughout the consultation process. Including specific consultation on various aspects of the service review findings. The community will also be consulted in the development of both the strategy and masterplan for the site.

Attachments

- 1 Kiama Leisure Centre Service Review - Summary Report - 11 March 2024 [↓](#)

Enclosures

Nil

RECOMMENDATION

That the Committee note the contents of the report provided.

Legislative Drivers – Service Reviews

In September 2021 the NSW Office of Local Government published guidelines for Integrated Planning and Reporting (IP&R), which included a new requirement to publish a program of Service Reviews:

4.3 To encourage continuous improvement across the council's operations, the Delivery Program must identify areas of service that the council will review during its term, and how the council will engage with the community and other stakeholders to determine service level expectations and appropriate measures.

This focus on service reviews within the IP&R Guidelines follows through on the changes made to the NSW Local Government Act in 2016 which included a new statement that the role of the governing body is to keep under review the performance of the council, including service delivery (s223(1)(g)).

Report of the Director Planning, Environment and Communities

6.2 Kiama Leisure Centre Service Review (cont)

The responsibility for service reviews was also included in the responsibility of the Audit, Risk and Improvement Committee (s428A(2)(g)) which must monitor the service reviews undertaken by the Council.

As outlined above, service reviews should be part of the normal business of a Council and form an integral part of the Integrated Planning and Reporting Framework.

Each council should identify areas of service it will review during its term and the operational plan should specify each review to be undertaken that year.

Following the 2024 local government elections, it is expected that all councils will have a service review program in place to begin the new council's IP&R cycle. Reviews of service strategies such as a sport and recreation strategy or waste strategy is also one element of a review of these services.

Performance Improvement Order and Council Resolutions

Council is also required to undertake service reviews as part of the implementation of the Strategic Improvement Plan, Performance Improvement Order and other requirements set by the NSW State Government.

On 28 February 2023 Council resolved to:

1. *Endorse the seven (7) stage methodology described in the service review process on the following business areas:*
 - *Waste services*
 - *Leisure Centre*
 - *The Pavilion*
 - *Holiday Parks.*
2. *Utilise funding from associated operational savings to complete the four services reviews outlined at resolution one (1) above, as a matter of priority.*
3. *Define the structure, scope, deliverables and performance for other municipal programs into Service Statements, from which levels of service and resourcing for future budgets may be developed.*
4. *Refer the request for a rolling budget for service reviews to the forward budget estimates register for consideration as part of the 2023/24 budget process.*

In the report to Council on the 1 February 2024 the letter from the Office of Local Government stated that:

“Given the difficult financial circumstances facing the Council, it is important Council remains on track with the financial strategies that have been put in place to reduce expenditure and increase revenue. The community needs to have confidence that Council’s financial management and performance has independent oversight and is being closely monitored.”

Report of the Director Planning, Environment and Communities

6.2 Kiama Leisure Centre Service Review (cont)

Through the Rayner report it was concluded that “*Council must continue to urgently address the financial and governance issues faced by Council. It also outlined that a significant Special Rate Variation may be required but this should not be pursued until all other options are exhausted or if it becomes evident that a SRV is required to meet the financial sustainability target. It states that Council has taken a decision to focus on operational efficiencies and service reviews before considering an SRV.*”

It is also clear from the community that Council must review its operations and provide improved efficiency before seeking for ratepayers to contribute more funds to operations. Council must identify areas for improved efficiency across each department and develop a comprehensive understanding KMC’s operations and obligations and service catalogue.

The relevant costs of asset operations, maintenance and renewal requirements need to be delineated, and balances available for community, economic, environment and administrative services identified. While on one hand, the revenues available for municipal assets and services are finite, the appropriateness and performance of asset and services have not been tested for some time – a matter raised by the Finance Advisory Committee (FAC) and an area of interest for the Audit, Risk and Improvement Committee (ARIC).

The proposed variation to the PIO clearly states that Council:

“Immediately review the timing for service reviews and revenue opportunities to ensure council can move to surplus operating budgets and ensure its long-term financial viability.”

Every effort is being made to finalise service reviews scheduled for this financial year.

Pleasingly the Leisure Centre Service review is the first review to be completed and has been provided within the required timeframes.

Service Review Process

The service review process assists in providing an overall strategic direction for management and maintenance of assets and infrastructure now and into the future, with the following key outcomes:

1. The facility is managed strategically, transparently, and efficiently.
2. The facility is managed in accordance with Financial Management Standards and the Local Government Act; and
3. To ensure optimal utilisation and maximum return on investment.

The service review can also put Councils and Councillors in a better position to:

- Respond to changing customer priorities and needs.
- Determine the right mix of services and align the services with the council’s vision.
- Define statutory and non-statutory services and consider the potential for divestment of services.
- Generate financial savings.

Report of the Director Planning, Environment and Communities

6.2 Kiama Leisure Centre Service Review (cont)

- Review and optimise service levels and build staff capacity and skills.

With this in mind a scope for the review was developed, seeking an overall strategic direction for the operation and provision of services and programs at the KLC with the following key deliverables:

1. Undertake a comprehensive systematic review of current processes and procedures; and explore future directions on how Council should continue operating the Kiama Leisure Centre, including but not limited to the following scope:
 - a. Future operational options;
 - b. Service needs and demand analysis;
 - c. Community asset rationalisation;
 - d. Profit and loss analysis;
 - e. Commercialisation opportunities;
 - f. Operational risk assessment;
 - g. Operational resource analysis, including structure;
 - h. Fees and Charges;
 - i. Environmental sustainability improvements.
2. Define the type and level of services to be delivered at KLC that is informed by the review scope and taking into consideration the recent Kiama Leisure Centre Survey and Liability Risk Engineering Report recommendation.
3. A benchmark of KLC processes and performance in comparison to similar facilities and LGAs, as well as market review.
4. Outline and make recommendations on legislative requirements and compliance.
5. Develop and produce a 10-year Leisure Centre Strategy with and Implementation Plan for Council's consideration.
6. A funding strategy (including grants)/ scoped budget of how Council will implement the proposed Strategy and Implementation Plan.

Following a comprehensive procurement process, Morrison Low consultants were appointed in late November to undertake the Service Review on behalf of Council.

During December 2023 to February 2024, milestone 1-4 above were completed, and milestones 5-6 are currently in progress, for completion in March. In order for the consultants to complete the final stage of the Service Review, being a long-term strategy and implementation plan, further community engagement and internal consultation will be required to assist in the development of these documents and to further inform decisions surrounding the KLC.

Overview Kiama Leisure Centre

The Kiama Leisure Centre (KLC) is Council's key multipurpose swimming, fitness and sports facility that is open 360 days of the year for 95 hours every week. KLC is a significant community infrastructure delivering vital programs throughout the year. KLC plays a key role in contributing to the overall health, wellbeing, fitness and leisure needs of the Kiama residents and beyond.

The facility includes an 8 lane 25m indoor lap pool, toddler pool, spa, sauna, gym and group fitness facility, and indoor sports hall and child mining service. The Jamberoo outdoor pool is a seasonal pool staffed by lifeguards from November to March forms part of the swimming offering managed by KLC .

Overview of Report

The service review report is provided as Attachment A. The key findings and recommendations are provided below.

It is very important to note that no decisions have been made about any of the key recommendations relating to service delivery or the long-term management of the assets.

Significant consultation would need to occur before decisions are made including any required staff consultation under relevant legislation. The content of the report are recommendations and options only, each will need further consideration, and information to support decision making. A formal implementation plan and strategy also needs to be developed to support any actions that may result.

What was clear from the service review is that the asset is much loved and highly utilised by a wide and diverse range of community members. It is important that the community to be involved in the long-term strategic vision for the site, particularly if redevelopment is considered and the funding required to support this action needed.

The decision has been made to provide the details of the report and key findings to the community and staff through this Council report. This is to provide transparency and to assist in developing an understanding of the service review process that has been followed. Particularly given formal service reviews have not occurred at Kiama Council.

Action is being undertaken on immediate risks and recommendations which relate to operations, for example urgent maintenance, system improvements or accounting methods.

Key challenges

- Need for a clear strategic long-term direction and market focus for KLC
- Internal expertise and skills in aquatic and leisure management
- The age and deteriorating condition of the KLC asset and facilities
- The extensive range of services currently provided and resourcing challenges associated with service delivery
- Workplace culture, management operations and structure (including casualisation of workforce).

Findings

The Service Review has identified several recommendations spanning:

- Strategy and performance
- Asset management and maintenance
- People and culture
- Risk management
- Systems and processes.

Observations from Research

Key observations from the research undertaken as part of the service review include:

- It is difficult for councils that operate aquatic facilities to do so at a cost-neutral level.
- Broader strategic shift away from the traditional model where councils run a 50-metre outdoor pool, along with children's area and picnic facilities, towards indoor facilities.
- Greater focus now on revenue-generating activities such as learn-to-swim, health classes, recreation usage and key stakeholder groups such as swimming clubs.
- Kiosks have the potential to raise revenue if run efficiently and operated by sales-trained staff.
- Commercial returns from learn to swim and other program-based activities may reduce the subsidy per user visit that the community must currently pay.
- Key challenges are the recruitment and retention of experienced staff at all levels, particularly those involved with learn to swim and management/coordination activities.
- Heating and/or operating costs of outdoor pools in the winter tend to favour a seasonal model, particularly for councils in rural and regional areas.
- Some councils that run their own aquatic facilities are trying to move away from a younger, casualised workforce to a more experienced permanent staff model.
- Developing a skilled and motivated aquatic facility workforce requires Council to determine a clear long-term operating model, alongside training and professional accreditation opportunities.
- Generally, an in-house model provides councils with greater flexibility to respond to issues raised by elected officials and members of the public.
- An external model allows councils to utilise the skills and experience of a specialist provider with a large network of aquatic facilities to draw resources and knowledge from. However, this model can potentially lead to unforeseen capital or maintenance costs for council, particularly toward the end of a contract.

Report of the Director Planning, Environment and Communities

6.2 Kiama Leisure Centre Service Review (cont)

Secondary Service Delivery

As well as delivering all the core services of a leisure facility such as swimming and leisure facilities there are a number of services that are unique to KLC and other council-owned facilities are not typically delivered by Council employees:

- Childminding;
- personal training;
- Gymnastics;
- swim coaching.

Asset Management Options

- **Option 1 – Do nothing:** A do-nothing option would see the continued deterioration of the KLC to a point where it would be unusable, unsafe, and unfit to meet the needs of the local community. A decision not to invest in the KLC may require social infrastructure to be replicated elsewhere in the Kiama Municipality at a greater cost.
- **Option 2 – Upgrade:** This option would include an upgrade of the KLC, comprising improvements to the existing facility.
- **Option 3 – Redevelop:** This option would include a complete redevelopment of the KLC. Under this option, some existing elements of the KLC could be removed, or potentially replaced with new.

Significant funding will be required to pursue either Option 2 – Upgrade or Option 3 – redevelop.

Potential options for funding could include:

- Section 94 contributions
- Proceeds from the sale of assets
- Grants and contributions
- Debt/loan borrowings
- Forward borrowing from reserves
- Other general income sources.

It is recommended within the report that Council

- Prepare a Business Case to assist securing funding for KLC Masterplan.
- Council's strategic direction decision to be informed by a comprehensive business case and masterplan for the KLC that also incorporates the surrounding sporting precinct and the old Havilah place site.
- Commence planning for Option 2 or 3 due to the nature and condition of the assets, through Long Term Financial Planning.

Conclusion

This report is submitted to provide an update on the Service Review.



Item 6.2

Attachment 1



Kiama Leisure Centre
Service Review – Summary Report
February 2024



Document status

Job #	Version	Written	Reviewed	Approved	Report Date
7751	1	C. Middleton	S. Bunting	S. Bunting	16 February 2024

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Executive Summary

Kiama Municipal Council (“Council”) owns and operates the Kiama Leisure Centre, located at Havilah Place, Kiama. Constructed in 1982 and first opened in 1983, the Kiama Leisure Centre is Council’s key multipurpose swimming, fitness and sports facility and plays a critical role in contributing to the overall health, wellbeing, fitness and leisure needs of the Kiama community.

In December 2023, Kiama Municipal Council engaged Morrison Low Consultants (“Morrison Low”) to undertake an external service review of the Kiama Leisure Centre. This review was carried out from December 2023 to February 2024, and informed by engagement with a range of internal stakeholders as an objective review of the Kiama Leisure Centre’s service delivery arrangements and performance.

Service delivery challenges

Key challenges affecting service delivery include:

- A lack of clear strategic long-term direction and market focus for the Kiama Leisure Centre
- Internal expertise and skills in aquatic and leisure management
- Age and poor condition of the Kiama Leisure Centre asset and facilities
- Extensive range of services currently provided and resourcing challenges associated with service delivery

Improving service delivery and performance

We recommend that Council:

1. Review the Kiama Leisure Centre Strategy, ensuring the vision, goals, target market, and strategies to deliver operational performance are updated and consistent with Council’s strategic objectives.
2. Reconsider the service offering and whether Council is best placed to be the provider/operator of services currently provided at the Kiama Leisure Centre (e.g. childcare, fitness and swim coaching), or whether these are better outsourced to commercial operators via contract or licences.
3. Establish and endorse expected service levels and Key Performance Indicators (KPIs) for the Kiama Leisure Centre, and ensure that KPIs are monitored and reported on a quarterly basis.
4. Apply corporate overheads to the Kiama Leisure Centre to establish the true cost of operating the centre and providing its various services, programmes and activities.
5. Introduce user fees for the Jamberoo Public Swimming Policy via the 2024/2025 Statement of Revenue Policy and ensure an appropriate secure entry system is introduced ahead of the 2024/2025 swim season.
6. Review the Chart of Accounts to enable the costs attributable for each service offering (including apportioned overheads) to be monitored alongside revenue.
7. Ensure the financial impact of any changes in service offerings and service levels is modelled in Council’s Long-Term Financial Plan.
8. Review and update Council’s Buildings Asset Management Plan to include Kiama Leisure Centre’s forward maintenance and renewal requirements.
9. Develop and adopt a Kiama Leisure Centre Masterplan, ensuring the development of the Masterplan is informed by robust community engagement.



10. Prepare a Business Case to assist in securing grant funding to deliver the Kiama Leisure Centre Masterplan (once developed).
11. Consider transitioning functional responsibility for the operational oversight of rock pools to the Leisure Centre Manager.
12. Consider transitioning functional responsibility for the operational oversight of Beach Lifeguards to the Leisure Centre Manager.
13. Consider transitioning responsibility for building maintenance at the Kiama Leisure Centre to Council's Facilities and Maintenance team.
14. Review Kiama Leisure Centre team structure with the objective of reducing management layers.
15. Review, align and update position descriptions for Kiama Leisure Centre positions.
16. Review the model of engagement of casual employees engaged at the Kiama Leisure Centre, including the management of all casual employees, to ensure industrial risks are being proactively managed and mitigated.
17. Complete the review and consolidate the Kiama Leisure Centre Operations Manual, ensuring that it is regularly reviewed and quality controlled for currency.

Management has been provided, under separate cover, several additional recommendations to those above. As these recommendations contain matters and issues that are considered confidential under the *Local Government Act 1993* ("the Local Government Act"), they have not been detailed in this Summary Report.

Service delivery model

The Kiama Leisure Centre is currently operated via direct management, which is advantageous in that it allows Council to retain direct influence over how the centre's services, programmes and activities are delivered to customers and community. There are, however, significant drawbacks and risks attached to this model: Council has limited capacity to reduce operational costs, which are driven by market forces, legislative requirements and community expectations, and meeting agreed service levels is challenged due to resourcing constraints and employee retention issues. Maintaining this model requires a high degree of specialist industry expertise, which local councils typically do not possess.

Moving forward, Council should instead assess whether indirect management would be a more suitable service delivery model. Under this model, Council could engage a specialist commercial operator with the necessary industry expertise and capability to assume management of the Kiama Leisure Centre and introduce new management and operating standards, which could in turn benefit customers, community and Council. Responsibility for the Jamberoo Public Swimming Pool could also be included in the management contract, which could deliver further efficiencies for Council.

Should Council determine to pursue an alternative service delivery model, it should be noted that implementing a revised model requires a significant lead-time, of around nine (9) to twelve (12) months and contingent on having a clear future direction for the Centre. This period would allow Council to prepare and undertake a tender process, as required under the Local Government Act, and execute transitional arrangements to ensure a seamless transition for customers and community. Further analysis of the financial and industrial implications of terminating direct management and pursuing an indirect management model should be undertaken prior to any decision being made.

Looking forward: masterplanning and case for change

Irrespective of the management model favoured by Council; the Kiama Leisure Centre is ageing, and its condition is deteriorating. The design and layout of the centre reflect the era in which the facility was constructed but are inconsistent with contemporary expectations and standards. With the facility



approaching end of life, Council will soon need to make complex decisions regarding the future of the Kiama Leisure Centre, including either its upgrade or redevelopment.

Since the Kiama Leisure Centre was constructed in 1982, community expectations in relation to leisure and aquatic facilities have evolved considerably. Facilities are now seen as health and wellbeing hubs, and there is an expectation that public facilities of the Kiama Leisure Centre's size and scale incorporate design features that are accessible and inclusive, environmentally sustainable, and which reflect the demographics and service needs of the local community. All these factors should be considered by Council in its decision-making.

While the Kiama Leisure Centre has been excluded from the scope of the Kiama Sports Complex Masterplan, it is critical that Council develop a Masterplan to guide future decision-making relating to the centre. Council is strongly encouraged to programme the development of a Masterplan, either as an addendum to the Kiama Sports Complex Masterplan (once completed) or as a standalone strategic document, via its next Delivery Program. This masterplanning process should be underpinned by robust engagement with the Kiama Municipality community.



Service review findings

Table 1 Service review findings and commentary

Guiding question	Finding and commentary
Should this service be delivered to the community?	<p>The Community Strategic Plan identifies the outcomes of this service as important services and outcomes for the Kiama Municipality community. Residents are most satisfied with the pool and hall components of the Kiama Leisure Centre and less satisfied with the gym.</p> <p>Over the long-term, Council should consider which elements of the Kiama Leisure Centre need to be delivered to the community.</p> <p>There is arguably a strong need for aquatic services (e.g. pools) to be provided to the community, noting that the Kiama Leisure Centre and Jamberoo Public Swimming Pool are the only public swimming facilities in the Kiama Municipality.</p> <p>However, other services currently provided by the Kiama Leisure Centre – including childcare, gym and fitness services – should be reviewed, noting that there are other commercial providers of these services now operating in the Kiama Municipality and Council is competing against those other operators.</p>
If so, how should it be delivered?	<p>Council is not required to be a direct provider of the Kiama Leisure Centre facilities. Council can:</p> <ul style="list-style-type: none"> (a) Provide and manage all services (current model). (b) Outsource the provision of some services. (c) Outsource the provision of all services. <p>Currently, Council provides and manages all services, which requires a high number of casual employees to be engaged at the Kiama Leisure Centre. As discussed in this report, this model presents risks to Council. Instead, we would recommend that Council consider transitioning to Option B until such time as the future of the Kiama Leisure Centre asset is determined.</p> <p>As discussed in Section 5.3 of this report, there are also a range of management models available to Council over the long-term. We would suggest that Council explore adopting an indirect management model, where the management of the facility is contracted out to an external operator. This should be progressed once the future of the Kiama Leisure Centre asset is determined.</p>
Is this service delivering on community needs and Council's goals?	<p>Council's current Delivery Program and Operational Plan do not include clear performance targets and measures for the Kiama Leisure Centre and its various services, programmes and activities. As such, it is challenging to determine whether the service is delivering on community needs and Council's goals.</p> <p>Council is encouraged to establish clear performance targets and measures for the Kiama Leisure Centre in its next Delivery Program.</p>
Is the service being delivered using the most appropriate service delivery mechanisms?	<p>Council has not yet explored other service delivery mechanisms, so it is challenging to assess whether the current model is the most appropriate. However, preliminary research and analysis conducted as part of this service review indicate that Council should explore transitioning to an indirect management model.</p> <p>Successfully operating and managing a facility of the Kiama Leisure Centre's size requires industry expertise and mature systems, processes and work practices to enable efficient service delivery. On the information available, we would suggest that an established industry operator may be better placed to manage the Kiama Leisure Centre for Council.</p>



Guiding question	Finding and commentary
	<p>There are several established industry operators active in the NSW market, and in recent years, several rural and regional local councils have transitioned from a direct management model to an indirect management model. Research suggests that this can be financially advantageous for councils, and beneficial for their communities, who benefit from improved service delivery.</p>
<p>Is the service being delivered as efficiently and effectively as possible?</p>	<p>On the information available, the service is not being delivered as efficiently as possible. Currently, the Kiama Leisure Centre engages a large number of casual employees to deliver various services, programmes and activities provided by the centre.</p> <p>In the short-term, efficiencies could be achieved via shifting away from delivering many services internally and instead leasing/contracting these to alternative providers. Over the long-term, Council should consider transitioning to an indirect management model.</p>
<p>Is the service resourced appropriately?</p>	<p>Under the current operating model, the service is adequately resourced. As noted above, Council should review the current operating model and explore whether an indirect management model would be more advantageous.</p>
<p>Is the service meeting current service standards and levels?</p>	<p>As service levels have not been established via Council’s Delivery Program and Operational Plan, we are unable to determine whether those standards and levels are being met.</p> <p>We would recommend Council establish clear service standards and levels in its next Delivery Program.</p>
<p>What are the current and future issues affecting the service, and what should be done about them?</p>	<p>The main issues impacting the future service provision are:</p> <ul style="list-style-type: none"> • Lack of clear market focus and long-term direction – develop strategic plan and business plan. • Lack of internal expertise in commercial aquatic centre management – explore transitioning to indirect management model. • Ageing asset in poor condition – improved asset management planning and implementation coupled with renewal or replacement strategy. • Service provision optimisation – investigate service provision opportunity, through contractors, licencing and leasing (short-term), and transitioning to indirect management model (long-term).



1 Introduction

1.1 Background

Local councils are responsible for delivering a wide range of services to their communities and exercising an extensive suite of service, regulatory, revenue, administrative, enforcement and ancillary functions under the Local Government Act and other legislation.

Under the Integrated Planning and Reporting (“IP&R”) framework provisions of the Local Government Act, all local councils are required to plan holistically for the future and must develop a suite of interrelated strategies to guide their long-term planning and decision-making in relation to service delivery and resources. All plans, policies, programs, and activities developed and undertaken by local councils must directly relate to their respective IP&R frameworks.

The IP&R framework is designed to support local councils in establishing service levels, monitoring service performance, improving service delivery and encouraging continuous improvement across their organisations and operations.

The *Integrated Planning and Reporting Guidelines for Local Government in NSW* (“the Guidelines”) published by the NSW Office of Local Government (“the OLG”) and prescribed under the Local Government Act provide that local councils must, via their Delivery Program, “*identify areas of service that the council will review during its term, and how the council will engage with the community and other stakeholders to determine service level expectations and appropriate measures*”.

In turn, local councils must specify which service delivery reviews they will undertake each year via their annual Operational Plan, and report on the results of such reviews in their Annual Report. Importantly, councils must disclose in their Annual Report any changes they have made to services in response to the findings of service delivery reviews undertaken in the previous year.

The service review process asks local councils to consider the following questions when reviewing services:

1. Should this service be delivered to the community?
2. If so, how should it be delivered?
3. Is this service delivering on community needs and Council’s goals?
4. Is the service being delivered using the most appropriate service delivery mechanisms?
5. Is the service being delivered as efficiently and effectively as possible?
6. Is the service resourced appropriately?
7. Is the service meeting current service standards and levels?
8. What are the current and future issues affecting the service, and what should be done about them?

A service delivery review is a vital process for local councils and will ensure that their service functions are:

- **Appropriate** – that is, services meet current community needs and wants, and can be adapted to meet future needs and wants,
- **Effective** – that is, councils deliver targeted, better-quality services in new ways,
- **Efficient** – that is, councils improve resource use (people, materials, equipment, infrastructure) and redirect savings to finance new or improved services, and
- **Affordable** – that is, the community is able to afford the current and any proposed future service levels.



1.2 Context

The Kiama Municipality

The Kiama Municipality is located in south-east NSW and supports a permanent population of approximately 23,074 residents. Encompassing an area of 258 square kilometres, the Kiama Municipality is bordered by Shellharbour City to the north, Wingecarribee Shire to the west and Shoalhaven City to the south.

As with most other communities on the south-coast of NSW, the Kiama Municipality's local population is both growing and ageing. Over the 20-year period from 2021 to 2041, the NSW Department of Planning projects that the Kiama Municipality's population will grow at an annual rate of 1.28 per cent, higher than the NSW average of 0.95 per cent, to comprise close to 31,000 residents by 2041. According to 2021 Census data, the median age of the local population is 48 years, significantly higher than the NSW average of 39 years, and 35.8 per cent of the local population is aged 60 years or older, also significantly higher than the NSW average of 23.5 per cent.

The Kiama Municipality supports a diverse economy, with its stunning natural beauty and idyllic coastline ensuring that tourism is the region's biggest economic driver. The tourism industry contributes approximately \$244 million to the local economy, with more than one million people visiting Kiama each year. As at 2021, the largest industries generating jobs were hospitals (4.9 per cent), primary education (3.6 per cent), cafes and restaurants (3.3 per cent), secondary education (3.0 per cent), and local government administration (2.9 per cent).

Kiama Leisure Centre

The Kiama Leisure Centre is Council's flagship multipurpose swimming, fitness and sports facility and is open 360 days of the year, for 95 hours each week. Located at the Kiama Sports Complex, the facility incorporates an eight-lane 25 metre indoor lap pool, toddler pool, spa, sauna, gym and group fitness room, along with an indoor sports hall and creche.

Built in 1982 and opened in 1983, the facility is now over 40 years old, and its condition is deteriorating. Despite the relative success of the service operation and delivery of periodic facility upgrades since its establishment; the Kiama Leisure Centre's infrastructure and operational plans are being reviewed to ensure Council is demonstrating a proactive and strategic approach to the facility's long-term strategic management.

Other aquatic facilities in the Kiama Municipality include the Jamberoo Public Swimming Pool, which is an outdoor pool and open from December to March each year, and rock pools located at Black Beach, Blowhole Point, Boat Harbour and South Werri. While the Jamberoo Public Swimming Pool is staffed by Council employees, the Municipality's four rock pools are unstaffed.

1.3 Project objective and scope

In December 2023, Morrison Low was engaged by Council to undertake an external service review of the Kiama Leisure Centre. The objective of the service review was to analyse service needs and demand and explore future directions in relation to the Kiama Leisure Centre, including potential alternative operating models.

1.4 Acknowledgements

We wish to thank Council for all the assistance, cooperation and courtesy extended to us over the course of our review, particularly during our site visit to the Kiama Shire from Tuesday, 9 January to Wednesday, 10 January 2024.



1.5 Limitations and restrictions

In preparing this report, Morrison Low has relied on:

- Information provided in-confidence by Council,
- Feedback provided by Council's staff,
- Feedback provided in-confidence by external stakeholders,
- Publicly available information, and
- Our own analysis.



2 Service summary and delivery arrangements

2.1 Service summary

The Kiama Leisure Centre is Council's key multipurpose swimming, fitness and sports facility. The centre is open 360 days of the year, for 95 hours each week. The Kiama Leisure Centre incorporates the following buildings and facilities:

- 25-metre indoor swimming pool
- Indoor toddlers pool
- Spa
- Sauna
- Gym
- Group fitness classes
- Indoor sports hall
- Creche
- BBG facility
- Changerooms and toilets (male and female)
- Reception/kiosk
- Plant and filter rooms.

Council's staff employed at the Kiama Leisure Centre plan and deliver a comprehensive program of activities throughout the year for members of the community accessing the centre. Specific services delivered via the Kiama Leisure Centre include:

- Aqua aerobics
- Childminding services
- Holiday activities
- Group fitness and personal training
- Gymnastics classes
- Indoor court hire
- Learn-to-swim and swim coaching classes.

The Kiama Leisure Centre also manages the Jamberoo Public Swimming Pool, which is staffed by lifeguards from November to March.

2.2 Legislative context and considerations

Aquatic facilities are not statutory responsibilities of local councils under the Local Government Act, or another Act of Parliament. As such, these services are technically considered "discretionary" or "non-core", rather than "non-discretionary" or "core" responsibilities. Notwithstanding this, local communities commonly expect their council to operate a public swimming pool, given Australia's climate and the important role that public swimming pools play in supporting social cohesion and improved health and wellbeing.

Section 24 of the Local Government Act provides that Council may provide services appropriate to the current and future needs within the Kiama community, subject to the provisions of the Local Government Act and accompanying *Local Government (General) Regulation 2021* ("Local Government Regulation").



Where councils operate public swimming pools, they must ensure compliance with a range of legislation, including the *Public Health Act 2010*, *Public Health Regulation 2012*, *Swimming Pools Act 1992* and *Swimming Pools Regulation 2018*.

2.3 Strategic alignment

Under the IP&R provisions of the Local Government Act and accompanying Local Government Regulation, Council is required to develop and adopt an interrelated suite of strategic planning documents, underpinned by a Community Strategic Plan, to guide its decision-making processes.

As illustrated in *Table 2*, below; there is a clear strategic link between the provision of aquatic and recreational services via the Kiama Leisure Centre and the current Kiama Municipal Council Community Strategic Plan, along with Council’s Delivery Program 2022-2026 and Operational Plan 2023-2024.

Table 2 Kiama Municipal Council IP&R strategic alignment

IP&R Document	Reference	
Community Strategic Plan	1.2	We love where we live; we have the services and facilities we need, and the natural beauty of our surroundings enhances our safe, active and healthy lifestyle.
Delivery Program 2022-2026	1.2.1	Provide spaces, services and initiatives that foster a proud, inclusive connected community for all.
Operational Plan 2023-2024	1.2.1.3	Manage and maintain the safe operation of a seasonally used outdoor pool in accordance with legislative obligations.
	1.2.1.4	Manage Leisure Centre services and administration for members and guests and provide fitness programs, classes and gym using purpose-specific equipment and a clean and safe environment.

2.4 Recent strategic, management and administrative reviews and decisions

2.4.1 Kiama Leisure Centre Strategic Plan (2008)

In 2007, Council engaged an external consultancy, Direct Incite Pty Ltd, to develop a strategic plan for the Kiama Leisure Centre. The subsequent strategic plan covered the five-year period from 2008 to 2012. In the 12 years since, Council has not reviewed or developed a new strategic plan for the facility.

2.4.2 Kiama Leisure Centre Liability Risk Engineering Report (2022)

In 2022, risk management consultancy Willis Australia Limited (“WTW”) prepared a liability risk engineering assessment of the Kiama Leisure Centre on behalf of CivicRisk Mutual and Council as part of their third-party liability control program.

This assessment resulted in Council being provided 18 recommendations to better manage and mitigate liability risk. Of these, five (5) were identified as high priority; 11 were identified as medium priority; and three (3) were identified as low priority.

2.4.3 Kiama Sports Complex Masterplan (Current)

Council has recently commissioned a Masterplan of the Kiama Sports Complex, via grant funding obtained under the Commonwealth Government’s Local Roads and Community Infrastructure Program (Phase 3). The scope of this Masterplan does not extend to include the Kiama Leisure Centre but is instead, limited to those



recreational assets surrounding the facility, including netball courts, skate park, public car park, grass sporting fields and athletic track.

Figure 1 Map of Kiama Sports Complex Masterplan scope

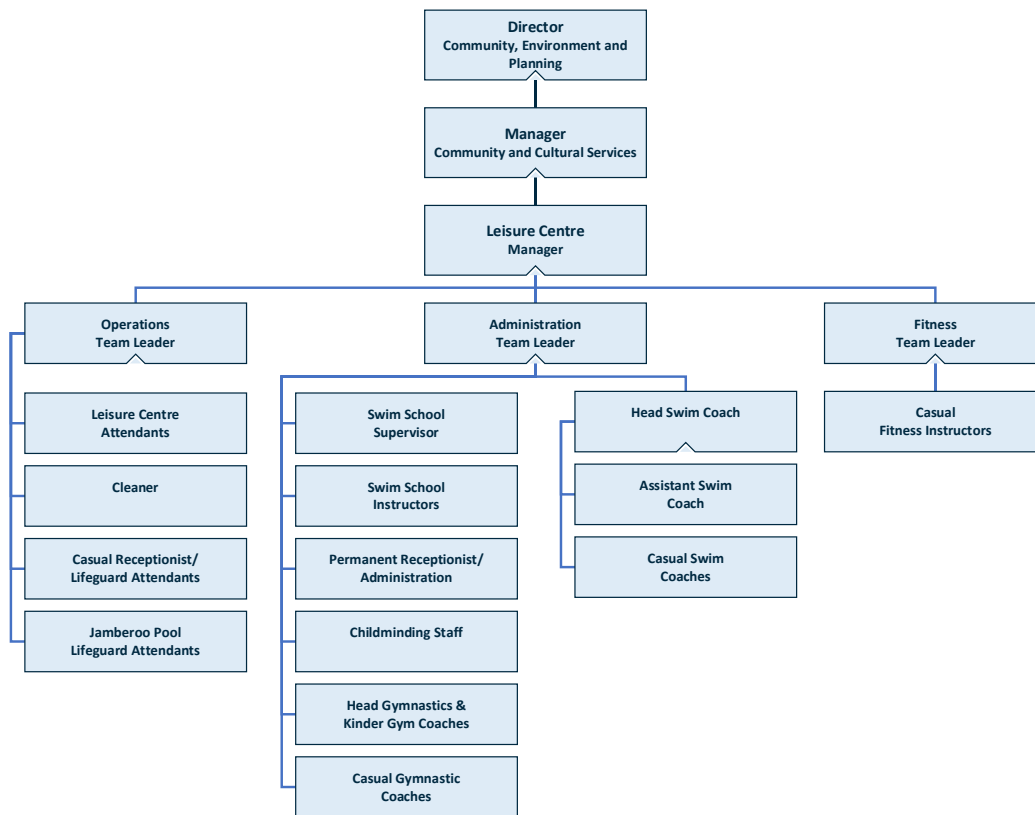




2.5 Service resourcing

The Kiama Leisure Centre is currently managed by a full-time permanent Leisure Centre Manager, who is in turn supported by three full-time permanent team leaders, each overseeing different aspects of the centre’s operations. Council currently employs a large number of casual employees to support the delivery of the Kiama Leisure Centre’s various services, programmes and activities provided.

Figure 2 Kiama Leisure Centre structure

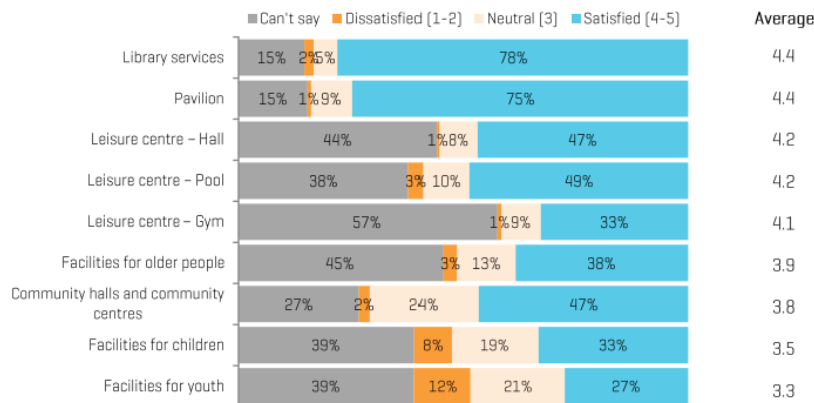


2.6 Community importance and satisfaction

Council regularly commissions external market research company, IRIS Research, to undertake a Community Satisfaction Survey aimed at gauging community sentiment on a range of Council services and facilities, including the Kiama Leisure Centre, and identifying opportunities for improvement. Results of the most recent Community Satisfaction Survey, carried out in 2020, indicate that the community is generally satisfied with the Kiama Leisure Centre. Indeed, results suggest that the Kiama Leisure Centre enjoys the third highest level of satisfaction of Council-operated facilities, after Council’s library services and the Kiama Pavilion.



Figure 3 Community satisfaction with Kiama Municipal Council facilities (Community Satisfaction Survey 2020)



In 2022, Council undertook a targeted Kiama Leisure Centre survey to gather comprehensive information to guide Council in improving customer satisfaction and enhancing the quality of services offered to members and patrons of the centre. Comprising 25 multiple choice and three open-ended questions, the survey was delivered over a 28-day period from April to May 2022 and attracted 759 responses.

Following completion of the survey and analysis of results, Council identified the following focus areas for the centre:

- Improving communication methods and platforms, particularly increasing opportunities for online customer service (e.g., bookings, payments, programs) to overcome reception wait-times, congestion and delay
- Reviewing programs to provide contemporary fitness program offerings and timetables
- Maximising pool use and aquatic programs patronage via refined oversight to provide dedicated management of the aquatic programs area
- Planning for gym enhancement incorporating a five-year space-refresh and equipment renewal plan, functional floor layout, and consideration of additional hours of access
- Maintaining continual focus on competitor offerings and pricing and adapting to change
- Implementing detailed operational plan, staffing breakdown and business plan for the service
- Developing marketing plan to grow and retain customers beyond the LGA boundary given the constraints to customer growth within the Kiama LGA catchment
- Improving operational management and customer service



2.8 Financial performance

The Kiama Leisure Centre's financial performance has been mixed over recent years, generating deficits in each of 2020/21, 2021/22 and 2022/23. Following analysis of the year-to-date actuals provided by Council, we expect the service to similarly generate a deficit in the current 2023/24 year.

As illustrated by *Table 3*, below, the service generated substantial deficits in 2020/21 and 2021/22. This performance is largely attributable to lower income via user and fees and charges received during the Novel Coronavirus ("COVID-19") pandemic era, during which time various social distancing requirements were in force. In the years since the COVID-19 pandemic era, income has increased due to user fees and charges revenue, but some expense categories have also increased (e.g. employee costs, materials and contracts).

Table 3 Kiama Leisure Centre financial performance, 2020-2024

	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Projected*
Income				
User charges and fees	\$1,935,735	\$1,680,816	\$2,476,525	\$2,624,235
Grants, subsidies, contributions and donations - Operating	\$8,161	\$3,103	\$226	\$0
Grants, subsidies, contributions and donations - Capital	\$0	\$15,530	\$0	\$0
Expenses				
Employee Benefits	\$2,070,579	\$1,754,029	\$1,938,394	\$2,207,638
Borrowing Costs	-\$12	\$4,044	\$1,493	\$9,885
Materials & Contracts (excl. capital expenditure)	\$739,058	\$596,084	\$729,622	\$789,320
Other Expenses	\$270	\$575	\$54	-\$2,642
Capital expenditure	\$997	\$54,737	\$101,721	\$49,593
Total income	\$1,943,897	\$1,699,449	\$2,476,751	\$2,624,235
Total expenses (excl capital expenses)	\$2,809,895	\$2,354,732	\$2,669,564	\$3,004,202
Surplus/(Deficit) before Capital items	-\$865,999	-\$655,283	-\$192,813	-\$379,967
Total expenses (incl capital expenses)	\$2,810,893	\$2,409,468	\$2,771,285	\$3,053,795
Surplus/(Deficit) after Capital items	-\$866,996	-\$710,019	-\$294,534	-\$429,561
*Based on six-month actuals as at December 2023.				



2.9 Patronage and admissions

Council was able to provide patronage and admission data for the Kiama Leisure Centre and Jamberoo Public Swimming Pool for the periods 2020-2024 and 2019-2023, respectively.

2.9.1 Kiama Leisure Centre

As illustrated by *Table 4*, below, admissions were higher in 2022/23 than in the previous 2020/21 and 2021/22 financial years, which – as noted in the previous section – is likely due to the effects of the COVID-19 pandemic era on the Kiama Leisure Centre's operations. Admission data for the current 2023/24 year is strong, and based on actual figures as at December 2023, the centre is likely to marginally exceed its result in 2022/23.

Table 4 Kiama Leisure Centre patronage and admissions, 2020-2024

Grouping	2020/2021	2021/2022	2022/2023	2023/2024*
Aqua	130	6,759	11,487	11,741
Babygym	0	243	355	182
Childminding	898	1,362	2,924	2,146
Coaching Pass	2,555	3,905	4,769	3,470
Court Hire	0	720	9,574	13,620
Fitness Passport	15,221	19,658	31,286	31,596
Group Fitness	15,760	20,382	30,829	31,628
Gym	17,003	23,696	36,470	35,190
Gymnastics	1,382	2,543	2,539	1,827
Health Moves	0	28	3,110	3,336
Kindergym	0	514	1,407	1,797
Personal Training	481	527	887	831
Pool Party Admission	0	0	1,060	2,366
Pool Toy	1,362	1,422	3,067	3,123
Sauna	1,144	7,927	17,184	18,754
School	114	12	7	5
Spa	303	1,690	5,126	6,291
Spectator	6,015	21,295	21,689	22,234
Swim	22,099	32,216	45,723	50,681
Swim School and learn to swim	8,477	27,784	35,964	30,020
Total	92,944	172,683	265,457	270,838

*2024 figures have been annualised based on six-month actuals provided by Council.



2.9.2 Jamberoo Public Swimming Pool

As with the Kiama Leisure Centre, attendance at the Jamberoo Public Swimming Pool has varied significantly in recent years. Once again, the COVID-19 pandemic is likely to have significantly affected the pool’s patronage, especially in the latter half of 2019/20 and throughout 2020/21 and 2021/22, during which time various Public Health Orders were in force.

As illustrated by *Figure 4*, below, attendance at the Jamberoo Public Swimming Pool has not returned to pre-COVID-19 levels. In 2018/19 and 2019/20, the pool attracted 9,117 and 9,020 patrons, respectively. Patronage dropped significantly in 2020/21, with just 5,914 users accessing the facility, rising to 8,441 users in 2022/23.

Figure 4 Jamberoo Public Swimming Pool Attendance, 2019-2023



2.10 Customer satisfaction

In 2022, Council undertook a targeted Kiama Leisure Centre survey to gather comprehensive information to guide Council in improving customer satisfaction and enhancing the quality of services offered to members and patrons of the centre. Comprising 25 multiple choice and three open-ended questions, the survey was delivered over a 28-day period from April to May 2022 and attracted 759 responses.

Following completion of the survey and analysis of results, Council identified the following focus areas for the centre:

- Improving communication methods and platforms, particularly increasing opportunities for online customer service (e.g., bookings, payments, programs) to overcome reception wait-times, congestion and delay
- Reviewing programs to provide contemporary fitness program offerings and timetables
- Maximising pool use and aquatic programs patronage via refined oversight to provide dedicated management of the aquatic programs area
- Planning for gym enhancement incorporating a five-year space-refresh and equipment renewal plan, functional floor layout, and consideration of additional hours of access
- Maintaining continual focus on competitor offerings and pricing and adapting to change
- Implementing detailed operational plan, staffing breakdown and business plan for the service



- Developing marketing plan to grow and retain customers beyond the LGA boundary given the constraints to customer growth within the Kiama LGA catchment
- Improving operational management and customer service.



3 Consultation insights and analysis

In undertaking this service review, Morrison Low made several positive observations regarding the Kiama Leisure Centre. We were particularly impressed with the strong commitment to customer service excellence and quality customer care demonstrated by those Council employees responsible for providing these services. However, consistent with the objective and scope of this review; we have focused our efforts on identifying opportunities for Council to improve culture, strategy, systems and processes to optimise service delivery and performance.

Commentary on our key findings, and accompanying improvement recommendations, is detailed below.

3.1 Strategy and performance

3.1.1 Key findings

- (a) The Kiama Leisure Centre lacks an endorsed strategic direction and is operated more as a family business servicing local families in a “cradle to grave” leisure offering. Customer satisfaction appears to be prioritised ahead of financial sustainability and commercial opportunities.
- (b) Despite the Kiama Leisure Centre’s location and proximity to the Kiama Sports Complex, there is no interface and few synergies between the two. Council is not planning wholistically for the precinct, despite it being the Kiama Municipality’s premiere fitness, leisure and recreation precinct.
- (c) While Council currently tracks attendance and revenue against the service offering, costs are not tracked against service offering. Further, corporate cost overheads are not being applied. This makes it impossible to identify which services are operating profitably and those that are not, and establish the “true cost” of operating the Kiama Leisure Centre. In turn, this limits Council’s ability to make investment decisions to maximise Kiama Leisure Centre revenue.
- (d) Council’s financial position and culture of conservative financial management have resulted in Kiama Leisure Centre staff minimising spend on maintenance requirements and extending equipment beyond its useful life. As a result, this culture has led to under-investment and now limits the ability of the Kiama Leisure Centre to optimise revenue opportunities.
- (e) Realising commercial opportunities at the Kiama Leisure Centre is difficult due to building and space limitations. Without major changes and significant investment, it is unable to offer leisure water space, a café or other retail offering, or accommodate extended services such as a 24-hour gym.
- (f) The current subsidy in place at Jamberoo Public Swimming Pool is not recommended. Council should address this when developing its next Statement of Revenue Policy, and introduce an appropriate secure entry system to support paid entry.
- (g) Since the development of the Kiama Leisure Centre in 1982, the local market has changed significantly and there are now several commercial gyms operating in the Kiama Municipality. As such, Council is no longer filling a market gap or meeting a community need in operating a gym and providing fitness classes.
- (h) The Kiama Leisure Centre provides a wide service range delivered by Council-employed staff. In many other facilities, the service offering is smaller and/or delivered by a mixture of Council employees, contractors and licensees.



Recommendation/s

1. Review the Kiama Leisure Centre Strategy, ensuring the vision, goals, target market, and strategies to deliver operational performance are updated and consistent with Council's strategic objectives.
2. Reconsider the service offering and whether Council is best placed to be the provider/operator of services currently provided at the Kiama Leisure Centre (e.g. childcare, fitness and swim coaching), or whether these are better outsourced to commercial operators via contract or licences.
3. Establish and endorse expected service levels and Key Performance Indicators (KPIs) for the Kiama Leisure Centre, and ensure that KPIs are monitored and reported on a quarterly basis.
4. Apply corporate overheads to the Kiama Leisure Centre to establish the true cost of operating the centre and providing its various services, programmes and activities.
5. Introduce user fees for the Jamberoo Public Swimming Policy via the 2024/2025 Statement of Revenue Policy and ensure an appropriate secure entry system is introduced ahead of the 2024/2025 swim season.
6. Review the Chart of Accounts to enable the costs attributable for each service offering (including apportioned overheads) to be monitored alongside revenue. Council only tracks attendance and revenue.
7. Ensure the financial impact of any changes in service offerings and service levels is modelled in Council's Long-Term Financial Plan.

3.2 Asset management and maintenance

3.2.1 Key findings

- (a) Council's Buildings Asset Management Plan is dated and does not include appropriate condition data or forward maintenance and renewal requirements for the Kiama Leisure Centre. While Kiama Leisure Centre staff have a schedule for planned, cyclic maintenance, major maintenance and renewal requirements are not being addressed.
- (b) The Kiama Leisure Centre is ageing, its condition is deteriorating, and it does not meet contemporary leisure needs. The facility's age is impacting its performance, and there are many parts of the facility that are in poor condition, non-compliant or not functioning properly.
- (c) Responsibility for planning and undertaking planned and reactive facility maintenance should be formally transferred from the Kiama Leisure Centre staff to Council's Facilities and Maintenance team, with Kiama Leisure Centre staff retaining responsibility for minor (not technical) maintenance.
- (d) Council manages four (4) rock pools, which sit with another section of Council's organisation rather than in the Community Hubs portfolio within the Planning, Environment and Communities directorate. While Council's role is largely a maintenance and lifeguarding responsibility, there are synergies in including operational oversight of these pools within the Leisure Centre team.
- (e) Council employs a number of Beach Lifeguards, who also sit with another section of Council's organisation rather than in the Community Hubs portfolio within the Planning, Environment and Communities directorate. As with the above, there are synergies in including operational oversight of the Beach Lifeguard function within the Leisure Centre team.



- Recommendation/s**
- 8. Review and update Council’s Buildings Asset Management Plan to include Kiama Leisure Centre’s forward maintenance and renewal requirements.
 - 9. Develop and adopt a Kiama Leisure Centre Masterplan, ensuring the development of the Masterplan is informed by robust community engagement.
 - 10. Prepare a Business Case to assist in securing grant funding to deliver the Kiama Leisure Centre Masterplan (once developed).
 - 11. Consider transitioning functional responsibility for the operational oversight of rock pools to the Leisure Centre Manager.
 - 12. Consider transitioning functional responsibility for the operational oversight of Beach Lifeguards to the Leisure Centre Manager.
 - 13. Consider transitioning responsibility for building maintenance at the Kiama Leisure Centre to Council’s Facilities and Maintenance team.

3.3 People and culture

3.3.1 Key findings

- (a) The Kiama Leisure Centre team structure should be flattened and management layers reduced.
- (b) Position descriptions require review to ensure clarity and consistency of roles and accountabilities across the Kiama Leisure Centre team.

- Recommendation/s**
- 14. Review Kiama Leisure Centre team structure with the objective of reducing management layers.
 - 15. Review, align and update position descriptions for Kiama Leisure Centre positions.

3.4 Risk management

3.4.1 Key findings

- (a) Council may be exposed to industrial risks via the high use of casual employees at the Kiama Leisure Centre. This model should be reviewed to ensure risks are clearly identified and being appropriately managed.

- Recommendation/s**
- 16. Review the model of engagement of casual employees engaged at the Kiama Leisure Centre, including the management of all casual employees, to ensure industrial risks are being proactively managed and mitigated.



3.5 Systems and processes

3.5.1 Key findings

- (b) Despite WTC recommending in 2022 that Council develop an overarching Operations Manual for the Kiama Leisure Centre, the Operations Manual is currently split across multiple documents with those components not reviewed since 2015 or 2016. We have been advised that a revision of the Operations Manual is currently in progress.
- (c) While some employees are unhappy with *Envibe*, it is widely used in the gym and leisure market and there is compelling reason to replace it with another product at this time.

Recommendation/s

- 17. Complete the review and consolidate the Kiama Leisure Centre Operations Manual, ensuring that it is regularly reviewed, and quality controlled for currency.



4 Strategic service options

4.1 Kiama Leisure Centre

The Kiama Leisure Centre is an ageing facility and its condition continues to deteriorate. The facility is no longer meeting contemporary recreation needs and typical community expectations. This gap will continue to widen unless addressed. Council has three options:

- **Option 1 – Do nothing:** A do-nothing option would see the continued deterioration of the Kiama Leisure Centre to a point where it would be unusable, unsafe, and unfit to meet the needs of the local community. A decision not to invest in Kiama Leisure Centre may require social infrastructure to be replicated elsewhere in the Kiama Municipality at a greater cost.
- **Option 2 – Upgrade:** This option would include an upgrade of the Kiama Leisure Centre, comprising improvements to the existing facility.
- **Option 3 – Redevelop:** This option would include a complete redevelopment of the Kiama Leisure Centre. Under this option, some existing elements of the Kiama Leisure Centre could be removed, or potentially replaced with new or supplementary elements (.e.g. café, 50-metre competition pool, leisure pool, splash pad, etc.).

Council has the opportunity and obligation to make a strategic direction regarding the future of the Kiama Leisure Centre. As noted previously, Council's decision-making should be informed by a Masterplan, developed in consultation with the Kiama Municipality community.

Significant funding will be required to pursue either **Option 2 – Upgrade** or **Option 3 – Redevelop**. Potential options for funding either the upgrade or redevelopment of the Kiama Leisure Centre could include:

- Section 94 contributions
- Proceeds from the sale of assets
- Grants and contributions
- Debt/loan borrowings
- Forward borrowing from reserves
- Other general income sources.

We believe that given the nature and condition of the asset, Council should commence planning for Option 3 while noting that typically this planning and engagement can take many years, and that construction will be dependent on Council's financial capacity and grant funding. At best, actual redevelopment is only likely to occur in the latter year of Council's Long-Term Financial Plan ("LTFP"); more likely, it would need to be funded in a future LTFP.

Undertaking sufficient planning for this decision-making process should occur sooner and we would suggest that the planning and engagement components be included in the next Delivery Program for consultation with the Kiama Municipality community (via the development of a Kiama Leisure Centre Masterplan).



4.2 Jamberoo Public Swimming Pool

Council currently waives user fees and charges for the Jamberoo Public Swimming Pool. While uncommon, there are examples of other local councils across NSW that waive user fees for smaller, outdoor pools of a similar age and condition to the Jamberoo Public Swimming Pool. *Table 5*, below, includes examples of free-entry public swimming pools in NSW. This is not an exhaustive list, but it does demonstrate a wide range in approaches used by other councils.

Table 5 Sample of free-entry public swimming pools

Council	Population	Facility	Notes
Berrigan Shire Council	8,653	Berrigan Public Swimming Pool	Berrigan Shire Council owns four swimming pools, including one indoor heated aquatic centre and three outdoor pools. Of these, one (Berrigan) does not apply user fees.
MidCoast Council	97,237	Bulahdelah Public Swimming Pool Nabiac Public Swimming Pool	MidCoast Council's owns a number of public swimming pools and aquatic centres. Most are staffed and apply user fees. Both pools located in inland villages. Both pools are unsupervised, with no lifeguards.
Parkes Shire Council	14,361	Peak Hill Public Swimming Pool Trundle Public Swimming Pool Tullamore Public Swimming Pool	Parkes Shire Council's main facility, the Parkes Aquatic Centre, applies user fees. All free-entry pools are located in remote villages. All pools are staffed by lifeguards during open hours.

As illustrated by *Table 5*, above, there is no consistent approach applied by councils in applying user fee subsidies. For example, Berrigan Shire Council waives fees for one of its pools, but applies fees for its three other pools (including two, at Finley and Tocumwal, that are of a similar size and condition). We understand that the Berrigan Public Swimming Pool is operated by a Section 355 Committee and fundraises throughout the year and receives donations to subsidise entry. In contrast, Parkes Shire Council maintains one "premier" facility in the Parkes central business district, which applies fees, but waives fees for smaller outdoor facilities located in remote areas of the local government area.

The distinction between these examples and Kiama Municipal Council is that these facilities are used almost exclusively by residents of the area. A similar situation exists in MidCoast Council, where two pools located in inland communities have a free-entry admission model.

Research undertaken by Kiama Municipal Council suggests that while the pool is predominantly used by residents of the Kiama Municipality; a number of patrons reside in the neighbouring Shellharbour City local government area. As a result, the current model is seeing residents of another local government area access a Kiama Municipal Council-provided and -subsidised service.



As Council is expending funds on staffing the Jamberoo Public Swimming Pool during operating hours, user fees and charges should be introduced for the facility. Noting the limited infrastructure at the facility, as well as the location of the entry point; Council should investigate the feasibility of installing an appropriate entry system (e.g. fob access system) to complement the introduction of user fees and charges. In practice, this may mean that users would need to purchase a season pass in order to receive an access fob for the season.

4.3 Management model

There are various management models available to local councils in managing public community venues such as recreation facilities and aquatic centres. In practice, management models largely fit into one of the following three categories:

- **Direct Management:** under this model, Council directly manages and operates the facility. This is the current model utilised by Council in relation to the Kiama Leisure Centre.
- **Indirect Management:** under this model, an external operator (typically a specialist leisure or recreation management agency) manages or part-manages the facility, via a management services agreement with Council.
- **Independent Management:** under this model, an external operator manages the facility via a formal lease and/or management agreement.

Each of the three management models listed above has inherent strengths (or advantages) and weaknesses (or disadvantages). Further, when determining the most appropriate management model, it must be recognised that no one model will suit all facilities and situations. Factors that should be considered by Council in deciding the most appropriate management model for its specific needs are outlined below.

4.3.1 Direct Management

Under this model, Council would continue to directly manage and operate the Kiama Leisure Centre and design, deliver, and promote services and programmes. The key advantage of this model is that Council can directly control the condition of the centre and the quality of the services and programmes it provides.

Table 6 Management model advantages and disadvantages: direct management

Advantages	Disadvantages
<ul style="list-style-type: none"> – Council can exercise a high level of control over the day-to-day operation of the Kiama Leisure Centre. – Council can ensure the Kiama Leisure Centre is maintained to a high standard and has the capacity to provide adequate funds for all asset management requirements, including cyclical maintenance and structural maintenance. – Council’s governing body has capacity to make ongoing input into strategy and service offering. – Council can oversee marketing strategy and initiate direct promotion of the facility, its services and programmes. – Council can respond to changing customer needs and priorities. 	<ul style="list-style-type: none"> – Model requires Executive and senior staff with skills and expertise in managing, operating and/or maintaining aquatic and recreation facilities. – Council must be willing and able to maintain facility to high standard and ensure adequate funds are allocated to meet asset management requirements. – Political influence can be applied by governing body to change strategy and service offering, or stifle/delay new opportunities. – Council may be slower to identify and exploit opportunities due to governance structures and internal bureaucratic arrangements. – Less flexible industrial arrangements may limit resourcing decisions.



4.3.2 Indirect Management

Under this model, Council would enter into a management services contract with a contractor to manage the whole or part of the Kiama Leisure Centre. The key advantage to this model is that the operator can typically provide specialist experience that Council may lack, and is responsible for resourcing, including recruiting, training and managing staff (rather than Council).

Table 7 Management model advantages and disadvantages: Indirect management

Advantages	Disadvantages
<ul style="list-style-type: none"> Operator can typically apply specialist experience which is usually not readily available to Council. Council does not need to employ staff to manage and operate the centre or provide services and programmes. Operation of the centre is at arm’s length from Council and freed from day-to-day Council issues and interventions. Operator can usually respond to needs, issues and priorities more rapidly and efficiently than Council. Operator typically able to make more flexible industrial arrangements (not subject to <i>Local Government (State) Award</i>). Council can remain a partner in the arrangement and thus continues to have some control over the centre and access to performing reporting/ monitoring. Formal commitments for maintenance and refurbishment allocations can be set. 	<ul style="list-style-type: none"> Council can find itself locked into an external management agreement with an ineffective manager for a significant period. Legal implications and possible action for failure to deliver contract obligations. Operator can focus predominantly on profitable services and programmes to the detriment of wider community obligations.

4.3.3 Independent Management

Under this model, Council would outsource the management and operation of the Kiama Leisure Council to an external party or organisation through a formal lease agreement. The key advantage to this model is that it is likely the most effective financially, and significantly minimises (or eliminates) financial and risk implications for Council. However, this model does present significant risks that community benefits may be lost via service, staffing and programming decisions, with Council restricted in its ability to influence such decisions.

Table 8 Management model advantages and disadvantages: Independent management

Advantages	Disadvantages
<ul style="list-style-type: none"> Lessee typically able to achieve operational economies on conditions of use, labour, goods and services. Financial and risk implications for Council are minimised or eliminated entirely. Lessee typically able to make more flexible industrial arrangements (not subject to <i>Local Government</i> 	<ul style="list-style-type: none"> Lessee’s objectives may conflict with achieving equitable access or community service obligations desired by Council. Limited opportunity for community and customer input into establishing and reviewing services, programmes, timetables and fees. Lessee typically has strong focus on covering costs



Advantages	Disadvantages
<p>(State) Award).</p> <ul style="list-style-type: none"> - Council can set guaranteed operating financial position. - Lessee may be well positioned to obtain and provide immediate capital for improvements and maintenance requirements. 	<p>and generating profit, influencing decision-making relating to services, buildings and equipment.</p> <ul style="list-style-type: none"> - Council has no opportunity to participate in centre management, with control usually exercised via a medium- to long-term lease.

4.3.4 Conclusion and preferred model

Local councils, particularly those in rural and regional areas, are increasingly pursuing indirect management models for similar sized aquatic and leisure facilities. As noted above, there are benefits to direct management; however, workforce shortages, recruitment challenges, rising operating costs and competing service delivery priorities all make indirect management an appealing option for smaller councils that are less well resourced and lack specialist industry experience.

Moving forward, Council should consider the advantages that implementing an indirect management model may provide. Contracting a specialist operator to manage the facility would likely achieve cost savings and efficiency improvements for Council, including reducing internal services required to operate the centre (e.g. Communications and Marketing, Finance, Human Resources, etc.) and enabling Management to focus on other strategic priorities and services. Importantly, customers and community would also be likely to benefit from this model, as the centre would be run by a specialist operator with industry expertise, which would likely be reflected in the quality of services, programmes and activities provided.

Implementing an indirect management model would need to be achieved via a compliant tendering process, carried out in accordance with the relevant provisions of the Local Government Act and the *Tendering Guidelines for NSW Local Government* prescribed by the Office of Local Government. Careful attention should be given to the drafting of the tender specification to ensure that roles and responsibilities are clearly identified and defined, and appropriate performance reporting arrangements are included.



5 Market research and demand analysis

Desktop analysis suggests a relatively strong and competitive fitness market in the Kiama Municipality. As at the time of this report being prepared, there are at least seven (7) other commercial gyms currently operating in the Kiama Municipality, including some aligned with major national operators such as Club Lime, Snap Fitness and F45 Training. We understand that the Kiama Village shopping centre, which is currently undergoing reconstruction and located in close proximity to the Kiama Leisure Centre, will also include a gym tenant.

While there is a competitive market in relation to commercial gyms within the Kiama Municipality; the Kiama Leisure Centre is the only facility that includes both a gym and a swimming pool. Indeed, the only other public swimming facilities within the local government area are those managed and operated by Council: namely the Jamberoo Public Swimming Pool, and the four rockpools located at Black Beach, Blowhole Point, Boat Harbour and South Warri.

5.1 Service age groups

Age structure provides valuable insights into the level of demand for aged-based services, such as child care, recreation facilities and aged care services, and indicate how residential roles and functions are likely to evolve in the future. Service age structure divide the population into age categories that reflect typical life stages and indicate the level of demand that target people at different stages in life and how that demand is changing.

Analysis of the service age groups in the Kiama Municipality compared to Regional NSW shows that, as at the 2021 Census, there was a lower proportion of people in the younger age groups (0 to 17 years) and a higher proportion of people in the older age groups (over 60 years). Overall, 19.9 per cent per cent of the local population was aged between 0 and 17 years, and 35.8 per cent were aged 60 years and over, compared with 21.5 per cent and 29.1 per cent respectively for Regional NSW.

Table 9 Service age group analysis, 2021 Census data (Australian Bureau of Statistics)

Service age group	Years	Kiama Municipality		Regional NSW
		Number	%	%
Babies and preschoolers	0 to 4	1,149	5.0	5.5
Primary schoolers	5 to 11	1,869	8.1	8.6
Secondary schoolers	12 to 17	1,585	6.8	7.4
Tertiary education and independence	18 to 24	1,424	6.1	7.6
Young workforce	25 to 34	1,993	8.6	11.6
Parents and homebuilders	35 to 49	3,866	16.8	17.5
Older workers and pre-retirees	50 to 59	2,965	12.8	12.8
Empty nesters and retirees	60 to 69	3,815	16.6	13.3
Seniors	70 to 84	3,634	15.8	13.0
Elderly	85 and over	777	3.4	2.8



As illustrated in *Table 9*, above, the major differences between the age structure of Kiama Municipality and Regional NSW were:

- A *larger* percentage of 'Empty nesters and retirees' (16.6 per cent compared to 13.3 per cent)
- A *larger* percentage of 'Seniors' (15.8 per cent compared to 13.0 per cent)
- A *smaller* percentage of 'Young workforce' (8.6 per cent compared to 11.6 per cent)
- A *smaller* percentage of 'Secondary schoolers' (6.8 per cent compared to 7.4 per cent).

5.2 Population change

According to NSW Department of Planning projections, the Kiama Municipality's population is forecast to grow at a rate of 1.28 per cent over the 20-year period from 2021 to 2041. This is significantly higher than the NSW average growth rate of 0.95 per cent for the same period. It should be noted that the NSW Department of Planning projections are generally considered to be modest, and actual population growth may exceed the projected growth rate.

5.3 Leisure facility trends

Analysis of the recreation leisure market suggests that there are a range of trends that are increasingly impacting on the market, specifically on leisure centres. *Table 10*, below, summarises some of these trends and how they may guide future decision-making by Council in relation to the Kiama Leisure Centre:

Table 10 Leisure and aquatic facility trends (summary)

Trend	Summary
Accessibility and inclusivity	Increased focus on designing facilities that are accessible and inclusive for people of all ages and abilities. This includes features such as ramps, sensory-friendly spaces, and inclusive service design and programming.
Demographics and needs based	Increased focus on ensuring facilities adapt to changing demographics and cater for current and expected community needs, including an ageing population and a younger, more technology-savvy generation.
Health and wellbeing	Increased focus on designing facilities that contribute to the community's quality of life and overall wellbeing. This includes incorporating allied health services within aquatic and leisure centres to create a central health hub for local communities.
Flexible design	Increased focus on designing facilities and spaces that provide usage flexibility and can be easily adapted for different purposes and activities, ensuring that space utilisation can be maximised.
Sustainable design	Increased focus on implementing environmentally sustainable practices in facility design and operations. This includes energy-efficient technologies, eco-friendly building materials and water conservation measures such as advanced water filtration systems, water recycling, and efficient water management practices.
Technology and innovation	Increased focus on integrating technology into facility operations and service delivery to enhance customer experience, such as mobile applications for facility bookings, online scheduling, and smart facility management.
Value for money	Increased focus on ensuring that facilities provide value for money and commercial performance can be improved to ensure effective return on investment.



5.4 Implications

As with other communities in south-east coastal NSW, population growth in Kiama Municipality is expected to be driven by increases in the 'Seniors' (70 to 84 years), 'Empty nesters and retirees' (60 to 69 years) and 'Parents and homebuilders' (35 to 49 years) service groups. As a result, it is expected that demand for those services and facilities that cater to older residents will increase in the years ahead, whereas demand for those services that cater to younger residents will remain static.

As previously noted, Council is encouraged to develop and adopt a Masterplan to inform and guide decision-making in relation to the long-term future of the Kiama Leisure Centre. In developing this Masterplan, consideration should be given to the various trends affecting the leisure centre market, including those summarised in *Table 10*, above. Key opportunities include:

- Incorporating accessible and inclusive features in the design of the facility, which could in turn then support more accessible and inclusive services and programming.
- Incorporating sustainable design principles to ensure the facility's carbon footprint is minimised.
- Incorporating allied health services within the centre or introducing new features, such as a hydro-therapy pool, that support health and wellbeing outcomes.
- Incorporating opportunities for secondary spend, such as a café.
- Incorporating water play facilities such as splash pads and interactive water play equipment within the centre precinct, or adjacent to aquatic infrastructure.



6 Comparable Facility Review

As part of this service review, we sought to identify other rural councils that were a similar size to Kiama Municipal Council with similar facilities to the Kiama Leisure Centre, and larger regional councils that either had a similar community profile to Kiama Municipality's or which owned and operated facilities similar to the Kiama Leisure Centre.

Table 11, below, lists the facilities that were identified as part of the comparative analysis.

Table 11 Comparable Facility Analysis

Council	LGA Population ¹	Facility
Cessnock Council	63,632	Kurri Kurri Aquatic and Fitness Centre
Dubbo Regional Council	54,922	Dubbo Aquatic Centre Wellington Aquatic Leisure Centre
Goulburn Mulwaree Council	32,053	Goulburn Aquatic Leisure Centre
Griffith City Council	27,086	Griffith Regional Aquatic and Leisure Centre
Kiama Municipal Council	23,074	Kiama Leisure Centre
Lake Macquarie Council	213,845	West Wallsend Swim Centre
Maitland Council	90,226	East Maitland Aquatic Centre Maitland Aquatic Centre
Shoalhaven City Council	108,531	Nowra Aquatic Park
Singleton Council	24,577	Singleton Gym and Swim Centre

6.1 Key Insights

Key observations from our research include:

- It is difficult for councils that operate aquatic facilities to do so at a cost-neutral level.
- Broader strategic shift away from the traditional model where councils run a 50-metre outdoor pool, along with children's area and picnic facilities, towards indoor facilities.
- Greater focus now on revenue-generating activities such as learn-to-swim, health classes, recreation usage and key stakeholder groups such as swimming clubs.
- Kiosks have the potential to raise revenue if run efficiently and operated by sales-trained staff.
- Commercial returns from learn to swim and other program-based activities may reduce the subsidy per user visit that the community must currently pay.
- Key challenges are the recruitment and retention of experienced staff at all levels, particularly those involved with learn to swim and management/coordination activities.
- Heating and/or operating costs of outdoor pools in the winter tend to favour a seasonal model,

¹ Population data sourced from the Australian Bureau of Statistics (2021 Census).



particularly for councils in rural and regional areas.

- Some councils that run their own aquatic facilities are trying to move away from a younger, casualised workforce to a more experienced permanent staff model.
- Developing a skilled and motivated aquatic facility workforce requires Council to determine a clear long-term operating model, alongside training and professional accreditation opportunities.
- Generally, an in-house model provides councils with greater flexibility to respond to issues raised by elected officials and members of the public.
- An external model allows councils to utilise the skills and experience of a specialist provider with a large network of aquatic facilities to draw resources and knowledge from. However, this model can potentially lead to unforeseen capital or maintenance costs for council, particularly toward the end of a contract.

The following section outlines some of the key themes that were identified via the review of comparable facilities in more detail.

6.1.1 Management model

Of the facilities reviewed, there was a relatively even spread between in-house and outsourced operations. This even spread was equally applied to councils that owned a single facility and those that owned multiple facilities, as well as those that ran seasonal pool facilities and those that ran year-round.

Two councils utilised a mixed model, being Cessnock Council and MidCoast Council. In the case of Cessnock City Council, the council's two outdoor public swimming pools (located at Branxton and Cessnock) are currently managed in-house, whereas the larger Kurri Kurri Aquatic and Fitness Centre (located at Kurri Kurri) is managed and operated externally by Belgravia Leisure. Similarly, MidCoast Council directly operates its smaller public swimming pools (located at Bulahdelah and Stroud), whereas the larger Great Lakes Aquatic Centre (located at Forster) and Manning Aquatic Centre (located at Taree) are managed externally by YMCA.

Decisions regarding management model are largely attributed to strategic drivers and internal capability. Councils with a preference for outsourcing perceive aquatics to be an important service that needs to be delivered, but not necessarily by the councils themselves, and appear motivated predominantly by a desire to achieve cost savings or cost containment. Such councils recognise that external operators are subject to a different ("cheaper") industrial award structure and enjoy greater buying power for pool chemicals, retail merchandise and utilities. In contrast, those councils that manage aquatic facilities themselves are motivated more by a desire to maintain high levels of service and ensure they remain responsive to community needs and expectations. These councils recognise that strong internal capability in aquatics and fitness facility management was critical to the success of the direct management model.

As to whether an external or internal model (or a combination of the two) is the best operating structure for Kiama Municipal Council ultimately depends on several factors, including but not limited to operating costs, maintenance obligations, human resource capacity and user satisfaction and community feedback. As discussed in Section 5 of this report; on the information available, we would recommend that Council review the current management model and explore the potential benefits of pursuing an indirect management model.



6.1.2 Services and strategy

Many of the facilities reviewed indicated Learn to Swim was critical to improve cost recovery of pool operations. Gyms, fitness classes and kiosk facilities were also cited as critical earners that were able to improve cost recovery and reduce the cost burden on ratepayers for these facilities. We note that Kiama Municipal Council already provides Learn to Swim classes as well as a range of other fitness and gym classes. As noted previously in this report, the Kiama Leisure Centre facility does not incorporate or have space for a substantial kiosk or café, so there is no opportunity to achieve further revenue via a secondary spend retail offering such as this.

Construction of 50-metre pools has declined since the late twentieth century, following a peak in popularity during the period between the 1960s and 1990s, when there was strong community pressure to build 50-metre competition and training facilities. Two councils identified 50-metre pools as being detrimental to cost recovery and potentially not required by members of their respective communities, who were predominantly seeking recreational aquatic facilities (rather than competitive swimming facilities). In contrast, one council has recently developed their leisure centre to include a 50-metre outdoor pool.

6.1.3 Fees and charges

Across the facilities examined, there were a variety of different pricing structures which provided for casual/one-off entry, season passes, 'add-on' fitness and aqua classes membership. Competitive long-term membership packages using a direct-debit system attract long-term users of aquatic facilities and provide some reliable cash inflows. We note that Kiama Municipal Council already provides a range of package options.

While pricing structures vary in their degree of complexity, most facilities charged adult, child/concession, spectator, and family categories, with children under either three or four years' old free of charge. *Table 12, overleaf*, provides a comparative analysis of the casual fees and charges levied by each of the shortlisted facilities (with all fees and charges drawn from each council's adopted Revenue Policy for the current 2023/24 year). Review of these figures suggests that Kiama Municipal Council is an outlier in its fees, noting its:

- Family admission fee of \$22.00 is higher than the average of \$18.50
- Adult admission fee of \$7.00 is higher than the average of \$6.30
- Concession admission fee of \$5.00 is higher than the average of \$4.10
- Child admission fee of \$5.00 is higher than the average of \$4.50
- Spectator admission fee of \$4.50 is higher than the average of \$2.00.

We understand that Council has recently reviewed its fees and charges for the Kiama Leisure Centre, including increasing fees and charges. However, as detailed above (and illustrated in further detail in *Table 12, overleaf*), Kiama Municipal Council's fees and charges are comparatively higher than those levied by other centres, which are generally more modern than the Kiama Leisure Centre and some of which have contemporary features such as water play areas.



Table 12 Fees and charges comparative analysis, Casual fees

Council	Facility	Casual Admission Fee				
		Family	Adult	Concession	Child	Spectator
Cessnock Council	Kurri Kurri Aquatic and Fitness Centre	\$20.00	\$6.40	\$5.50	\$5.50	\$3.50
Dubbo Regional Council	Dubbo Aquatic Centre	\$18.50	\$6.00	\$4.00	\$4.00	\$2.00
	Wellington Aquatic Leisure Centre	\$18.50	\$6.00	\$4.00	\$4.00	\$2.00
Goulburn Mulwaree Council	Goulburn Aquatic Leisure Centre	\$18.00	\$6.50	\$4.50	\$4.50	\$2.00
Griffith City Council	Griffith Regional Aquatic and Leisure Centre	\$19.50	\$6.50	\$3.00	\$3.00	\$1.50
Kiama Municipal Council	Kiama Leisure Centre	\$22.00	\$7.00	\$5.00	\$5.00	\$4.50
Lake Macquarie Council	West Wallsend Swim Centre	\$16.80	\$6.60	\$4.10	\$4.10	\$3.10
Maitland Council	East Maitland Aquatic Centre	\$17.60	\$6.30	\$4.20	\$5.20	\$0.00
	Maitland Aquatic Centre	\$17.60	\$6.30	\$4.20	\$5.20	\$0.00
Shoalhaven City Council	Nowra Aquatic Park	\$17.70	\$5.10	\$3.80	\$3.80	\$0.00
Singleton Council	Singleton Gym and Swim Centre	\$19.00	\$6.20	\$4.10	\$4.80	\$2.50
	Median	\$18.50	\$6.30	\$4.10	\$4.50	\$2.00

7 REPORTS FOR INFORMATION

7.1 Community Engagement Strategy

Responsible Director: Planning, Environment and Communities

Staff from Council's Communications Team will be attending the meeting to present/workshop the Community Engagement Strategy.

Information on the Strategy can be found on Council's website:

<https://www.kiama.nsw.gov.au/Council/Your-say/Community-Engagement-Strategy>

8 GENERAL BUSINESS

9 CLOSURE