Item 14.1

# 14 REPORT OF THE DIRECTOR CORPORATE AND COMMERCIAL

## 14.1 Adoption: Community Land Plan of Management

CSP Objective: Outcome 4.3: Our built environment is safe and inclusive; our infrastructure is well planned and well managed.

CSP Strategy: 4.3.1 Create a regional network of interconnected roads, shared pathways and cycleways to maximise access to key destinations and facilities.

Delivery Program: 4.3.1.1 Manage recreation and open space infrastructure to cater for current and future generations.

**Summary**

The purpose of this report is to seek Council's endorsement to adopt the Community Land Plan of Management. Council has an existing Plan of Management for "Neighbourhood Parks" which was adopted originally in 1996, with updates in 2014 and again in 2016. This Plan of Management (PoM) was a generic plan which identified all areas of community land that were categorised as "Park" only.

Since its adoption in 2016, Council has acquired land through various means including land dedication and acquisition, and as such have identified numerous parcels of community land that do not form part of an existing PoM nor fall specifically within the "Parks" categorisation.

The Community Land Plan of Management (PoM) provides for these parcels of land and also categorises these parcels into "Natural Area", "Sportsground", "Park", "General Community Use" and "Area of Cultural Significance" with the aim to provide thorough & more accessible information for the community.

**Financial implication**

Respective budgets for FY2025 and FY2026 cover the costs associated with undertaking the community engagement, public hearing and finalisation of the Community Land Plan of Management (PoM).

**Risk implication**

It is a requirement of Council under the Local Government Act 1993 to classify and categorise all Community Land and have an endorsed PoM for each parcel of Community Land.

**Policy**

Local Government Act 1993

Local Government (General) Regulation 2005

Public Land Management Policy

**Consultation (internal)**

Manager Property & Commercial

Property Coordinator

Property Officer

Acting Director of Infrastructure & Liveability

**Communication/Community engagement**

The draft Community Land Plan of Management (PoM) was publicly exhibited for 42 days in accordance with the requirements of the Local Government Act 1993. Throughout the exhibition period, Council undertook a range of engagement activities to encourage participation, promote awareness and support transparent communication with the community.

In line with legislative requirements, an independent consultant was appointed to facilitate the public hearing. This process provided an opportunity for stakeholders to present their views, ask questions and discuss the draft PoM in detail. The hearing, conducted by Locale Consulting, was held on Thursday 10 April 2025 at The Pavilion, Kiama where one community member attended the hearing but elected not to provide a verbal submission.

Notification of the public hearing was provided through the dedicated Community Land Plan of Management webpage on the Kiama Your Community Your Say platform. Additional promotion occurred through a media release, Council's newsletter, posters, social media channels and The Bugle newspaper.

Council also hosted two Community Pop-ups: at the Kiama Farmers Market on 26 March 2025 and at IGA Gerringong on 27 March 2025 to provide further opportunities for residents to ask questions and raise any concerns regarding the draft PoM.

Following these engagement activities, Council's Property Team has continued to liaise with community members to inform revisions to the draft Plan of Management.

**Attachments**
Nil

**Enclosures**

1 Community Land Plan of Management 2025⇨

2 Public Exhibition Engagement Report⇨

3 Locale Consulting - Public Hearing Report⇨

***RECOMMENDATION***

That Council adopt the Community Land Plan of Management.

**Background**

Council has a Community Land Plan of Management for Neighbourhood Parks which was originally adopted in 1996, with updates in 2014 and again in 2016. The Plan of Management (PoM) was a generic plan that identified all areas of community land categorised as "Park". Since its adoption in 2016, Council has acquired additional land through various means, including dedication and acquisition, and has identified numerous parcels of community land that do not form part of the current Neighbourhood Parks PoM. To capture the additional parcels of community land and accommodate the requirements of the Local Government Act to classify these parcels of land, the Community Land Plan of Management has been prepared.

Given the varied categories of the newly identified parcels, the document has been retitled to encompass all relevant community land within the local government area, including land categorised as *Natural Area*, *Park* and *General Community Use*. This broader scope is intended to provide clearer and more accessible information for the community.

**Land categories**

Sections 102–111 of the *Local Government (General) Regulation 2021* provide the framework for categorising community land. The categories applied within the updated Community Land Plan of Management include *Natural Area*, *Park* and *General Community Use*.

The purpose of this report is to provide Council with the opportunity to adopt the updated Community Land Plan of Management (PoM). The updated PoM is presented following the community consultation period and ongoing discussions with community members. Throughout this process, Council has continued to work collaboratively with the community to ensure transparency and clarification of the proposed amendments.

At the Council meeting of 18 February 2025, Council endorsed the draft Community Land Plan of Management (PoM) to be placed on public exhibition.

> *25/038OC*
>
> *Resolved that Council:*
>
> 1. *Endorse the proposed updated Community Land Plan of Management for Neighbourhood Parks to be placed on Public Exhibition for a period of 42 days, to allow for any public submissions during this time.*
> 2. *Approve that during the public exhibition period a public hearing will be held and undertaken by an independent consultant.*
> 3. *Request that following the public exhibition, public hearing and submission stage a further report will be presented to Council for consideration of any submissions received and feedback obtained from the public hearing for the adoption or otherwise of the draft Community Land Plan of Management.*

Council placed the draft PoM on public exhibition from 12 March 2025 to 23 April 2025, ensuring compliance with the statutory minimum exhibition period of 42 days. The exhibition period provided an opportunity for residents and stakeholders to review the draft document and submit feedback.

As required under the *Local Government Act 1993*, Council held a public hearing on Thursday 10 April 2025 at The Pavilion, Kiama. The public hearing, conducted by Locale Consulting, enabled direct engagement and discussion regarding the proposed land classifications. One resident attended the hearing and elected not to provide a verbal submission.

During the exhibition period, Council received nine submissions. Five submissions were not in favour of the PoM, two were in favour, and two were unrelated to the document. A summary of submissions is provided in the table below.

| | Concern raised | No. of times concern was raised in respective submissions | Council's address of the concerns raised |
|---|---|---|---|
| A | Peace Park should be recognised under criteria of 'Area of Cultural Significance' as well as 'Park' | 1 | To enable any community land to be categorised as area of 'cultural significance' it has to be the subject of a resolution by the council that declares that, because of the presence on the land of any item that the council considers to be of Aboriginal, historical or cultural significance. At this point Council has no evidence of any item to be of Aboriginal, historical or cultural significance. |
| B | Why did Bluehaven Terralong not get divested along with Bluehaven Bonaira<br>Council should not be running Aged care facilities | 1 | Noted however this is irrelevant to the context of draft Community Land Plan of Management. |
| C | Union Way Creek in Elambra Gerringong<br>Omitted a section of existing reserve from Union Way / Elambra Parade intersection to 28 Union Way Gerringong | 1 | All Community Land along Union Way Elambra is categorised as Parkland within the Draft Community land Plan of Management. |
| D | Dedicated parkland being excluded<br>Intersection of Elambra Parade to 28 Union Parade | 1 | All Community Land along Union Way Elambra is categorised as Parkland within the Draft Community land Plan of Management. |
| E | Absence of detailed Natural Area land in the Minnamurra area | 1 | Noted – The draft Community Land Plan of Management was updated to include the 36 new parcels of land of which none were located in Minnamurra. |
| F | No category for Kiama Community Garden | 1 | This land is classified operational land and therefore does not require a Plan of Management. |

| | Concern raised | No. of times concern was raised in respective submissions | Council's address of the concerns raised |
|---|---|---|---|
| G | Oppose Springhill Development | 1 | Noted however this is irrelevant to the context of the draft Community Land Plan of Management. |
| H | N/A – No concerns | 1 | Noted. |
| I | N/A – No concerns | 1 | Noted. |

At the Council Meeting of 20 May 2025, an alternate motion was resolved.

*25/156OC*

*An alternate motion resolved:*

*That Council defer adoption of the draft Community Land Plan of Management to the 17 June 2025 Ordinary Council meeting to allow further investigation of Lot 316 DP 30126 No. 82A Kalang Road, Kiama Heights.*

Council's Property team has since undertaken a status report investigation, which confirms that this parcel was originally transferred to Council for **public garden and recreation purposes and drainage reserve**. The findings indicate that the intent of the transfer may support its continued use for community purposes.

Council's Property Team have also been discussing in depth the Community Land Plan of Management with community members post exhibition period & have considered the below additional requests to the PoM.

| Concerns / Amendments raised | Council response / Action |
|---|---|
| Table Reference: 'Reserve Type/Type' be amended to 'Reserve Name' throughout PoM to limit confusion | Amended to include: 'Reserve Name' for clarification of specific Reserve Names for transparency & to reduce confusion, including specific park names |
| Main headings created to break down Categories eg "Parks", "Natural Areas", "general Community Use" etc | This has been added to the PoM |
| Specific Reserve names be added into the PoM including James Muir Miller Reserve, Rest Park & Noble Reserve etc | This has been added to the PoM |
| Discrepancy with some LEP & zoning details – make consistent throughout & include columns within tables | For consistency throughout, Council has removed any reference within tables to LEP or zoning as this is not specifically related to this PoM purpose. |

| Concerns / Amendments raised | Council response / Action |
|---|---|
| Map 76 & 77 Greta Street Gerringong Reserve Type listing as 'Carpark' | This has been amended to Community Land with Classification as 'Park' |
| Burke Parade Gerroa 'Ricketts Reserve' missing a community lot | This has been amended to include the additional lot |
| Request for Hindmarsh Park to have a dedicated Plan of Management created | Noted. This will be considered in future operational budget allocations. |
| Request for 'leased details' to be included in all tables | This is not the specific purpose of this PoM & leased details can change, overtime. Council has kept this PoM specific to Reserve Names with a reference to a leased building where relevant eg pg 131 '5 Collins Lane, Kiama – Youth Centre adjacent to Hindmarsh Park' |
| Request for a generic reference that this PoM does not include Crown Land parcels | Included on Pg 7 with a reference indicating that a separate PoM has been endorsed for Council-managed Crown land. |
| Amendments to grammar throughout | Reviewed & amended where appropriate. |
| Large drainage depression information be included | Not required for this specific PoM |
| Natural Areas 'Sub Category' be included within table | Included where appropriate |
| Either remove or include all suburb postcodes | Included within tables |
| Street numbers included where they have them | Included where appropriate |
| Carpark references within table under Reserve Type for Gerringong | This has been removed |
| Ricketts Reserve, Gerroa – clarity around whether Lot 93 DP 4467 should be included | Lot 93 DP 4467 is the correct parcel for this reserve & has been included |
| School of Arts Museum, Gerringong – include Dorothy Bailey Field within same lot | This has been amended |
| 82a Kalang Road, Kiama Heights (Lot 316 DP 30126) – clarity of classification 'operational' or 'community' & not included within mapping | Research has shown that this parcel is classified as Community Land and has been added to the PoM within table on page 47 & included as Map 96. |

## Conclusion

All of the matters raised within the submissions received from public exhibition have been considered and the draft Community Land Plan of Management has been amended where appropriate. Council can now consider to formally adopt the Community Land Plan Of Management.

Item 14.2

## 14.2 Monthly Financial Report - October 2025

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

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

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

### Summary

The Monthly Financial Report for the year-to-date (YTD) period ending 31 October 2025 includes both consolidated and individual Income Statements for Council's various business activities, along with program and service-level income statements. A consolidated Statement of Financial Position is also provided. This report highlights any material variances from the year-to-date budget and outlines any changes to the adopted budget that have been approved outside the formal Quarterly Budget Review process.

### Financial implication

This report relates directly to the financial performance of Council. Monitoring of the budget monthly enables timely financial management to effectively manage the resources available to Council to provide public services and amenities.

### Risk implication

The risk related to this information is non-compliance with legislation for monitoring and reporting of Council's financial performance.

### Policy

*Local Government Act 1993*

*Local Government (General) Regulation 2021*

Part 9, Division 3, Clause 203 (1) of the Local Government (General) Regulation 2021 legislates the preparation of this report. As such Kiama council complies with the legislation by preparation of this report.

### Consultation (internal)

Chief Executive Officer

Director Corporate and Commercial

Budgeting and Analysis Team

### Communication/Community engagement

N/A

### Attachments

Nil

**Enclosures**

1 Financial Statements - October 2025⇨



***RECOMMENDATION***

That Council receives and adopts the Monthly Financial Report for October 2025.

**Executive summary**

Council's 2025-26 budget continues to depend on asset divestments to achieve key performance indicators, maintain positive cash flow and to reinvest in future strategic revenue generating initiatives.

The current Performance Improvement Order (PIO) specifies that Council must demonstrate sustainable financial performance, including surplus operating results before capital grants and one-off divestments in addition to maintaining positive unrestricted cash balances from the 2026-27 budget year.

As at 31 October 2025, Council's YTD operating results from continuing operations are in line with the recently adopted budget.

In contrast, Councils YTD unrestricted cash position highlights a shortfall against the annual budget forecast, primarily due to the timing of expected property divestments. (Refer to cash flow section for further details). Upcoming divestment settlements and ILU unit settlements will correct this timing issue.

As endorsed by Council in September 2025, The *Short-Term Cash & Reserves Position* report contained some proposed budgetary changes and cash flow strategies to improve Councils short term liquidity until property divestments were completed.

**Operating results**

As at 31 October 2025, consolidated operating results from continuing operations show Council remains aligned with its adopted budget, recording a minor unfavourable variance of $215K. When considering operating results excluding capital grants and contributions, the variance is only $132K (-1%) unfavourable.

Income from continuing operations

At the consolidated level, Council's total YTD income remains broadly aligned with the adopted budget. Income from continuing operations totalled $39.7M, reflecting a minor unfavourable variance of $173K (0%) compared to budget of $39.8M. It should be noted that most of the individual income categories do not trigger the adopted budget framework policy materiality thresholds of $200K or 10%, further highlighting Council's alignment to the adopted budget.

Expenses from continuing operations excluding depreciation

Expenses from continuing operations, excluding depreciation, are immaterially unfavourable ($76K or 0%). While the overall variance is minor, it is driven by material variances in two categories: a $534K overspend in employee benefits, partially offset by a $402K underspend in materials and contracts. Further details can be found in Table 1.

Depreciation

A significant increase in depreciation is expected to be presented in the next finance report, following the audited 2024/25 financial statements with the increase in part relating to the identification of additional assets during the audit that were not included in the adopted budget depreciation calculation. A subsequent budget adjustment will be required at a future QBR, however will be a non-cash impact to Council.

**Table 1. This table provides further explanation of the identified material budget variances and classifies the variance as either permanent or timing in nature**

| Financial Reporting Level | Material Variance | Permanent / Timing | Comments |
|---|---|---|---|
| **Materials and Contracts** | $402K (4%) (F) | Timing | • Holiday Parks: **$163K F (8%)** timing of maintenance works & other operational costs. Expected to catch up post peak season.<br>• General Fund: **$270K F (4%)** mainly timing related underspends, including waste processing costs, legal expenses, sponsorships and parks & open space maintenance.<br>• Blue Haven: **$31K U (-12%),** Requirement for additional maintenance works (87% of annual maintenance budget spent). |
| **Employee Benefits** | $534K (6%) (U) | Permanent/ Timing | • General Fund: **$510K U (-6%)**<br>- **$137K U** Undercapitalisation of wages – changes to capitalisation process to be implemented which will decrease this variance.<br>- **$114K U** Vacancy rate budget forecast higher than actual current vacancies<br>- **$81K U** Overtime<br>- **$76K U** Casuals & Allowances<br>- **$126K U** other immaterial variances<br>• Blue Haven: **$22K U (-24%),** overtime contributed to 50% of the variance, with the remaining portion due to minor overspending in other categories.<br>• Holiday Parks: **$2K U (-1%)**, on track. |

| | | | |
|---|---|---|---|
| **Other Expenses** | $59K (30%) (F) | Timing | • General Fund: **$59K F (30%)**<br>Timing of Community development donation/sponsorship payments. |
| **Total Variances explained (A)** | **$73K (U)** | | **Total of variances listed above** |

**Table 2. This table categorises the YTD variances and classifies the cash impact under restricted, unrestricted or non-cash.**

| | | |
|---|---|---|
| Total Variances explained (A) | **$73K (U)** | Total of material variances listed above |
| Other Variances (B) | **$142K (U)** | Total of other remaining immaterial variances |
| **Total variance per Consolidated Income Statement (Continuing Operations) (A+B)** | **$215K (U)** | |
| Unrestricted Fund Variance | **$530K (U)** | **Net impact on unrestricted cash position, including:**<br>- $598K U - Employee Benefits<br>- $154K F - Materials & Contracts<br>- $59K F - Other Expenses<br>- $145K U - Other immaterial variances |
| Restricted Fund Variance | **$264K (F)** | **Net impact on restricted cash position, including:**<br>- $248K F – Materials and Contracts (Domestic Waste, Crown Land and Plant Reserves)<br>- $71K U Operational and Capital grants (Unspent Grant Reserve)<br>- $87K F – Other immaterial variances |
| Non-Cash Variance | **$51K (F)** | **Net impact - No impact on cash position**<br>- $33K F – Depreciation<br>- $18K F – Cost of assets sold for Plant & Equipment |

## Cash flow

Council's cash balance has recorded a net outflow of $2.1M over the four months to October 2025, compared to the annual forecast of a $2.7M inflow by June 2026. This variance is primarily due to the timing of anticipated property divestments, which are expected later in the year and remain a key driver of Council's projected surplus cash position.

Year-to-date to 31 October 2025, restricted reserves (both internal and external) have decreased by $3.6M. The primary driver of this reduction is the Council-endorsed transfer of $2.5M from internally restricted reserves to unrestricted cash.

As a result of the abovementioned transfers in conjunction with Council's ordinary operations, unrestricted cash has increased by $1.5M YTD, resulting in a $2.5M closing balance as at 31 October 2025. QBR 1 forecasts Council's expected closing unrestricted cash balance to be $9.5M (but only $2.2M if current internal reserve borrowings were repaid by the end of this financial year). The reserve position will be reviewed as part of budget preparation including repayment of earlier drawdowns and distribution of upcoming divestment proceeds.

This again highlights that the importance of divestment proceeds to Council's short term cash liquidity which is not a long term strategy and a condition that needs to be overcome to satisfy the PIO.

Presented to Council in September 2025, The *Short-Term Cash & Reserves Position Supplementary Paper* highlighted that the monthly adjusted cash flow forecast provides evidence that Council can manage its short-term cash flow and meet its financial obligations in 2025-26. This has been shared with NSW OLG, including regular updates.

## 14.3 Proposed road closure: Traversing Lot 1 DP 707300, Lot 3 DP 258605 & Lot 5 DP 740252

CSP Objective: Outcome 5.1: Public funds and assets are managed strategically, transparently and efficiently

CSP Strategy: 5.1.3 Assets are managed to understand the relevance, importance and lifecycle needs involved in the provision of infrastructure.

Delivery Program: 5.1.3.3 Identify Council owned land and property for future use or disposal opportunity; and manage in accordance with the Local Government Act.

### Summary

The purpose of this report is to seek Council's endorsement to commence the formal process to close an unformed section of Council public road. The surplus road reserve, provided for in DP 258605, traverses Lot 1 DP 707300 & Lot 5 DP 740252 Kiama **(see diagram 'A').** Upon closure, the land will vest in Council, as operational land in accordance with the *Roads Act 1993* with a separate title created following the formal closure enabling disposal to the adjoining landowner.

Following completion of the statutory road closure process, a further report will be presented to Council for the disposal of the land.

### Financial implication

In accordance with Council's *Fees and Charges 25/26*, there are no direct costs to Council for the initial investigative stage of a formal road closure.

The applicant will be responsible for 50% of the valuation fee, full fees for survey and plan registration costs, applicant's legal fees, statutory advertising, government and authority charges, and the land purchase price. Council will be responsible for their own legal fees which is covered in the 25/26 budget.

Accordingly, the process represents minimal financial risk to Council and provides the opportunity to realise a positive financial return from the disposal of surplus land, while reducing long-term management responsibilities for an unused asset.

### Risk implication

Sale of surplus road reserve is a standard local government process and poses low procedural risk or governance risk to Council. It is a requirement under the Roads Act 1993 that the application for closure be submitted by Council to the Department of Planning, Housing and Infrastructure, Crown Lands Division (Crown Lands).

### Policy

*Roads Act 1993*

*Local Government Act 1993*

*Crown Lands Management Act 2016*

Council's Public Land Management Policy

Acquisition & Disposal of Land and Easements Policy

**Consultation (internal)**

Manager Property & Commercial

Manager Planning & Development

Property Coordinator

Strategic Planning Coordinator

**Communication/Community engagement**

In accordance with section 35 of the Roads Act 1993, Council is required to publicly advertise the proposed road closure. This will allow the community and adjoining landowners to provide comments on the proposal within the twenty-eight (28) day exhibition period. If any objections are received within this period, a further report will be prepared for Council's consideration outlining the objections and proposed solution.

A Notifiable Authority consultation was undertaken as part of the investigation stage, with notification issued on 28 August 2025 to relevant authorities.

No objections were received, however during the authority consultation stage, it was noted within a historical Status Report that the pathway proposed to be closed is subject to an easement for transmission line and an easement for water supply which has since been rectified between Council's Property Team and each relevant authority.

Crown Lands have confirmed they have no objection to the proposed closure or for the land to vest in Council ownership as operational land upon the formal closure.

**Attachments**

Nil

**Enclosures**

Nil

***RECOMMENDATION***

That Council:

1. Commence the formal road closure process, including advertising and exhibition of the proposed closure of council public road provided for in DP 258605, traversing Lot 1 DP 707300 & Lot 5 DP 740252 Kiama.
2. Classify the subject area outlined in resolution (1) above as operational land upon formal closure.
3. Delegate to the Chief Executive Officer and/or Mayor to sign any documentation associated with the application for closure of the public road provided for in DP 258605, traversing Lot 1 DP 707300 & Lot 5 DP 740252 Kiama.

4. Note that all relevant costs associated with the road closure will be borne by the applicant.
5. Note that a separate report will be provided to Council following community consultation and valuation, seeking approval for the sale to proceed.



**Background**

Council is the Roads Authority for the surplus road reserve identified as a pathway in DP 258605, traversing Lot 1 DP 707300 and Lot 5 DP 740252, Kiama (refer Diagram A). Historical records confirm that this pathway was dedicated to the public upon registration of DP 258605 on 3 April 1979, pursuant to the Local Government Act 1993.

In July 2025, Council received a request from the adjoining landowner seeking the closure and purchase of the unformed section of Council-owned public road. Following acquisition & consolidation, the land will form part of the South Kiama Urban Release Area, where development surrounding DP 258605 is currently proposed.

The unformed public road is surplus to Council's requirements, and formal road closure is recommended. In accordance with the Roads Act 1993, the land will vest in Council as operational land upon closure, enabling progression of a sale to the adjoining landowner. The area subject to closure, extending along portions of the northern and southern boundaries of the applicant's property, is approximately 253 sqm (unsurveyed) and is effectively landlocked, providing no access to any other private property.

During preliminary consultation, a historical status report identified that the pathway is affected by an easement for transmission line and an easement for water supply, as shown on Diagram B (DP 258605). Council's Property team has consulted with Sydney Water and Endeavour Energy, both of whom have confirmed that the easements are not impacted by the proposed road closure and have raised no objections to the proposal, however Sydney Water has requested that the acquiring landowner lodge an eDeveloper application to obtain internal stakeholder approval regarding any consolidation of land subject to easement and/or release of easement.


**Diagram A** – showing the surplus road reserve provided for in DP 258605, traversing Lot 1 DP 707300 & Lot 5 DP 740252 Kiama

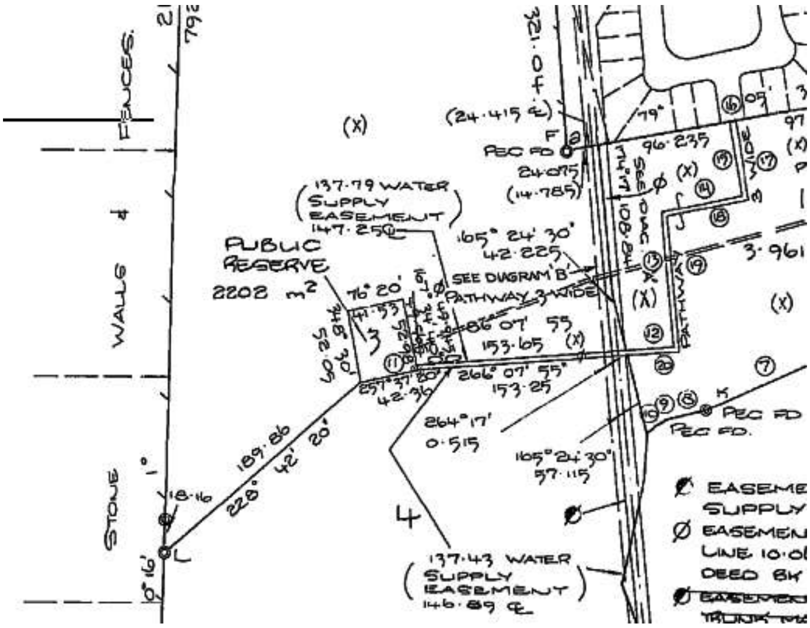



**Diagram B** - Deposited Plan DP 258605 showing original pathway, 'Public Reserve', Water Supply & Transmission Easements

## Conclusion

Council is the Roads Authority for the surplus road reserve provided for in DP 258605, traversing Lot 1 DP 707300 & Lot 5 DP 740252 Kiama.

In accordance with section 35 of the Roads Act 1993, Council is required to publicly advertise the proposed road closure. This will allow the community, adjoining landowners and relevant authorities to provide comments on the proposal within the twenty-eight (28) day exhibition period.

Upon closure, the land will vest in Council, as operational land in accordance with the *Roads Act 1993*.

Following completion of the statutory road closure process, a further report will be presented to Council for the disposal of the land.

Item 14.4

## 14.4 Statement of Investments - November 2025

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

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

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

### Summary

This report provides an overview of Council’s cash and investment portfolio and investment performance as at 30 November 2025 and endorsement of the restricted funds position.

### Financial implication

Investments are undertaken based upon the best rate on the day and after consideration of spreading Council's Investment risk across various institutions as per the Investment Policy and section 625 of the *Local Government Act 1993*. The distinction between restricted and unrestricted funds is a key operational and financial understanding.

### Risk implication

The risk related to this information is non-compliance with Council’s Investment Policy and Office of Local Government guidelines for appropriate monitoring and reporting of changes and the position of restricted funds.

### Policy

Clause 625 of the *Local Government Act 1993*

Clause 212 of the Local Government (General) Regulation 2021

Kiama Municipal Council – Investment Policy

Kiama Municipal Council – Restricted Funds Policy

### Consultation (internal)

Chief Executive Officer

Director Corporate and Commercial

Chief Financial Officer

Senior Financial Accountant

### Communication/Community engagement

N/A

### Attachments

Nil

### Enclosures

Item 14.4

1 Kiama Monthly Report - November 2025⇨

## *RECOMMENDATION*

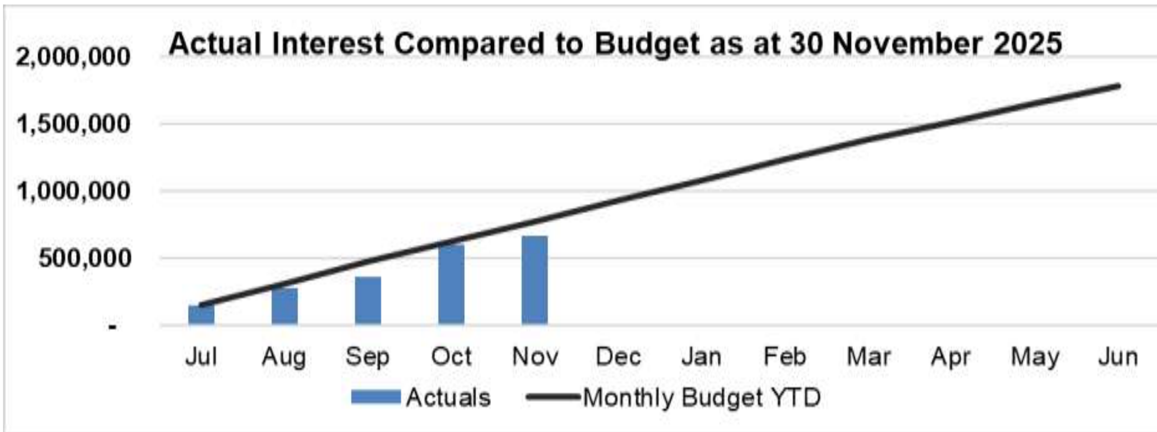
That Council receives the information relating to the Statement of Investments as at 30 November 2025.

### Background

Council is required to invest its surplus funds in accordance with the Ministerial Investment Order and Office of Local Government guidelines. The Order reflects a conservative approach and restricts the investment types available to Council. Council's Investment Policy provides a framework for the credit quality, institutional diversification, and maturity constraints that Council's portfolio can be exposed to. Council's investment portfolio was controlled by Council's Finance Department during the period to ensure compliance with the Investment Policy. External investment advisor advice is also considered at the time.

### Return on investments

For the month of November, excluding cash, the total portfolio provided a return of +0.39% (actual) or +4.79% p.a. (annualised), outperforming the benchmark AusBond Bank Bill Index return of +0.30% (actual) or +3.66% p.a. (annualised). All time periods are now comfortably above benchmark returns.



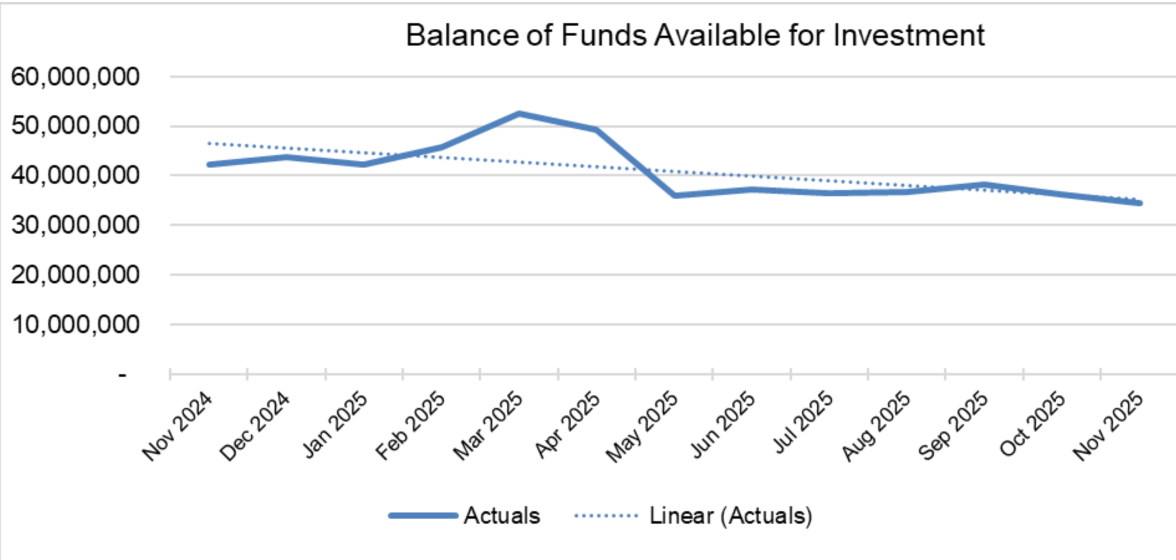

Even though the total portfolio continues to perform above benchmarks, surplus cash and investment balances have been lower than forecast over the first five months of 2025/26, therefore interest income is lower than the forecasted budget. The performance will continue to be monitored and (re)assessed at upcoming Quarterly Budget Reviews.

### Portfolio compliance

As at the end of November 2025, Council remains fully compliant with all investment limits.

| Compliant | Issuer | Rating | Invested ($) | Invested (%) | Max. Limit (%) | Available ($) |
|---|---|---|---|---|---|---|
| ✓ | Westpac | AA- | $13,321,526 | 37.72% | 40% | $807,084 |
| ✓ | NAB | AA- | $6,000,000 | 16.99% | 40% | $8,128,610 |
| ✓ | ING | A | $7,000,000 | 19.82% | 30% | $3,596,458 |
| ✓ | BOQ | A- | $2,000,000 | 5.66% | 30% | $8,596,458 |
| ✓ | Bank of Us | BBB+ | $1,000,000 | 2.83% | 15% | $4,298,229 |
| ✓ | Hume Bank | BBB+ | $1,000,000 | 2.83% | 15% | $4,298,229 |
| ✓ | P&N Bank | BBB+ | $1,000,000 | 2.83% | 15% | $4,298,229 |
| ✓ | State Bank of India | BBB | $4,000,000 | 11.32% | 15% | $1,298,229 |
| | | | **$35,321,526** | **100.00%** | | |

### Movement in investments



*Trades matured in November:*

| Issuer | Rating | Type | Interest | Purchase | Maturity | Rate % | Value |
|---|---|---|---|---|---|---|---|
| Suncorp Bank | AA- | TD | At Maturity | 21/11/2023 | 21/11/2025 | 5.36 | 1,000,000 |
| Australian Unity Bank | BBB+ | TD | At Maturity | 28/11/2024 | 27/11/2025 | 5.11 | 2,000,000 |
| **Total** | | | | | | | **3,000,000** |

*New trades were entered into in November:*

| Issuer | Rating | Type | Interest | Purchase | Maturity | Rate % | Value |
|---|---|---|---|---|---|---|---|
| BOQ | A- | TD | At Maturity | 27/11/2025 | 27/05/2026 | 4.34 | 2,000,000 |
| **Total** | | | | | | | **2,000,000** |

**Portfolio summary:**

| Issuer | Rating | Type | Interest | Purchase | Maturity | Rate % | Value |
|---|---|---|---|---|---|---|---|
| ING Bank (Australia) Ltd | A | TD | Annual | 04/12/2023 | 04/12/2025 | 5.25 | 1,000,000 |
| ING Bank (Australia) Ltd | A | TD | Annual | 18/12/2023 | 18/12/2025 | 5.20 | 2,000,000 |
| P&N Bank | BBB+ | TD | At Maturity | 13/12/2024 | 07/01/2026 | 5.02 | 1,000,000 |
| ING Bank (Australia) Ltd | A | TD | Annual | 10/01/2024 | 14/01/2026 | 4.96 | 1,000,000 |
| NAB | AA- | TD | At Maturity | 18/12/2024 | 04/02/2026 | 4.95 | 1,000,000 |
| NAB | AA- | TD | At Maturity | 12/02/2025 | 11/02/2026 | 4.78 | 2,000,000 |
| Bank of Us | BBB+ | TD | At Maturity | 06/03/2024 | 11/03/2026 | 4.96 | 1,000,000 |
| ING Bank (Australia) Ltd | A | TD | Annual | 11/04/2024 | 08/04/2026 | 4.92 | 2,000,000 |
| State Bank of India, Sydney Branch | BBB | TD | At Maturity | 02/07/2025 | 29/04/2026 | 4.15 | 2,000,000 |
| BOQ | A- | TD | At Maturity | 27/11/2025 | 27/05/2026 | 4.34 | 2,000,000 |
| NAB | AA- | TD | At Maturity | 04/09/2025 | 04/06/2026 | 4.18 | 1,000,000 |
| State Bank of India, Sydney Branch | BBB | TD | At Maturity | 11/06/2025 | 10/06/2026 | 4.30 | 1,000,000 |
| Westpac | AA- | TD | At Maturity | 10/07/2025 | 08/07/2026 | 4.15 | 2,000,000 |
| ING Bank (Australia) Ltd | A | TD | At Maturity | 22/07/2025 | 22/07/2026 | 4.15 | 1,000,000 |
| NAB | AA- | TD | At Maturity | 06/08/2025 | 05/08/2026 | 4.16 | 1,000,000 |
| NAB | AA- | TD | At Maturity | 04/09/2025 | 04/11/2026 | 4.11 | 1,000,000 |
| State Bank of India, Sydney Branch | BBB | TD | At Maturity | 28/05/2025 | 28/05/2027 | 4.25 | 1,000,000 |
| Hume Bank | BBB+ | TD | Annual | 06/08/2025 | 04/08/2027 | 3.95 | 1,000,000 |
| Westpac | AA- | CASH | Monthly | 30/11/2025 | 30/11/2025 | 3.50 | 11,321,526 |
| **Total 35,321,526** | | | | | | | |

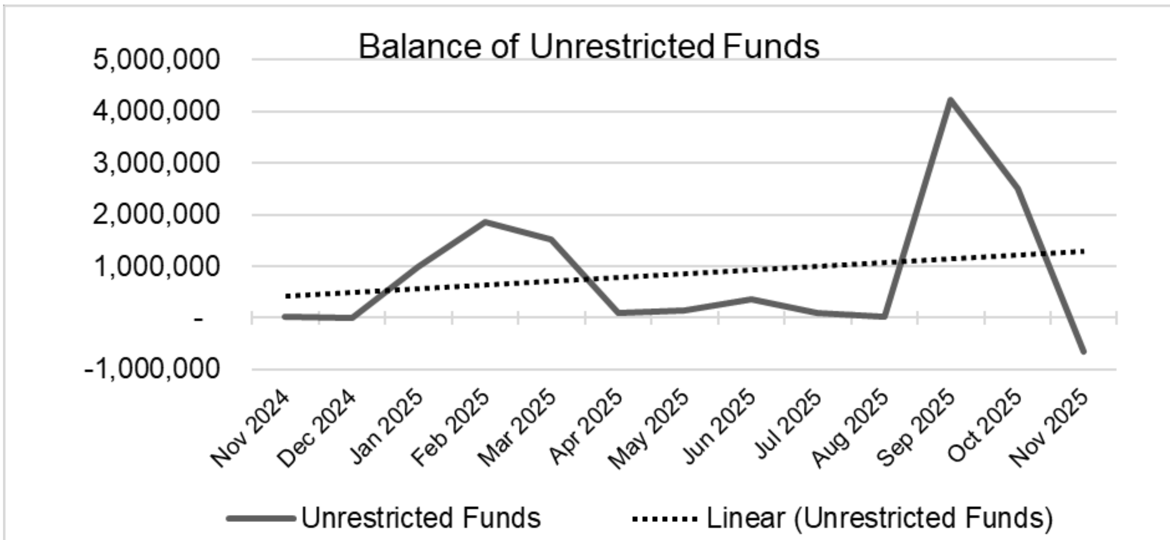
### Restricted Funds movements

The restricted funds movement for this month and balances are presented in the table below.

| Cash and Investments Held | 31/10/2025 | Movement | 30/11/2025 |
|---|---|---|---|
| Cash at Bank - Transactional Account | 11,499,032 | (177,506) | 11,321,526 |
| Other Cash and Investments | 25,000,000 | (1,000,000) | 24,000,000 |
| **Total Portfolio Balance (agrees to Arlo Advisory report)** | **36,499,032** | **(1,177,506)** | **35,321,526** |
| Cash on Hand | 5,550 | 0 | 5,550 |
| Unpresented cheques & other items | (215,328) | (578,806) | (794,134) |
| **Book Value of Cash and Investments** | **36,289,254** | **(1,756,312)** | **34,532,942** |
| Unspent Loan Funding | 400,000 | 0 | 400,000 |
| Unexpended Grants | 4,924,668 | 206,024 | 5,130,692 |
| Developer Contributions (Unexpended) | 14,244,148 | 49,662 | 14,293,810 |
| Stormwater Levy | 532,144 | 25,581 | 557,725 |
| Security bonds, Deposits & Retentions | 1,908,695 | (4,659) | 1,904,035 |
| Crown Reserve | 1,355,486 | 632,986 | 1,988,472 |
| Domestic Waste Management | 6,965,939 | 706,544 | 7,672,484 |
| Blue Haven Terralong ILU Maintenance Levy | 1,715,405 | 0 | 1,715,405 |
| Roads Reserve | 35,200 | 0 | 35,200 |
| **External Restrictions** | **32,081,685** | **1,616,139** | **33,697,824** |
| Employee Leave Liabilities | 1,440,502 | 0 | 1,440,502 |
| Land Development | (0) | 0 | 0 |
| Temporary Funding of Disaster Recovery Funding Agreement Works | (245,176) | (198,892) | (444,068) |
| Blue Haven Terralong ILU Prudential Cover | 500,000 | 0 | 500,000 |
| Plant Replacement | 0 | 0 | 0 |
| Risk Improvement Incentive | 0 | 0 | 0 |
| Terralong ILU Capital Works | 0 | 0 | 0 |
| **Internal Restrictions** | **1,695,326** | **0** | **1,496,434** |
| **Unrestricted Cash** | **2,512,243** | **(198,892)** | **(661,315)** |
| | | | |
| **November Rates instalment revenue received on 1/12/2025** | | | **914,000** |
| **Unrestricted Cash (Adjusted)** | | | **252,685** |

**Item 14.4**

### Unrestricted funds




Council's overall cash balance decreased during November from $36.2M to $34.5M. The $1.7M decrease is a result of business-as-usual operations and the following significant events:

- repayment of vendor finance instalment for Shoalhaven Street of $1.93M

Although Council has a negative unrestricted cash position for November 2025, rates revenue of $914K paid during the weekend including Sunday 30 November 2025 presents on Council's bank account at 1 December 2025, provides council with an adjusted unrestricted cash position of positive $252K.

Council has adopted a deficit budget for the 2025-26 financial year, with an expected reduction in unrestricted cash of $5.4 million (excluding proceeds from asset sales). This equates to $450K per month. As a result, it is anticipated that Council will need to draw from internal reserves until cash proceeds from operating surplus or planned divestments are realised.

Following the Short-Term Cash & Reserves Position Report in September, the above overall cash position at 30 November and the Unrestricted & Internal Restricted balances reflect the initiatives introduced to improve the short-term liquidity position. The initial adjustments considered and included the use of Council's overdraft as a contingency for the property acquisition instalment payment but this has been avoided. No repayment of previous drawdowns of internal restricted reserves is planned at this stage with this to be reviewed during budget preparations early next year.

The summary of extraordinary transfers from reserves to replenish unrestricted cash as per previous Council resolutions is summarised below:

| Reference | Date Effective | Reserve | Amount | Reason |
|---|---|---|---|---|
| 24/316OC | 30/11/2024 | Waste Business Unit Reserve | **-1,420,704** | Insufficient unrestricted cash balance – to be repaid when funds available |
| 25/144OC | 30/04/2025 | Land Development | **-476,308** | Insufficient unrestricted cash balance – to be repaid when funds available |
| 25/144OC | 30/04/2025 | Plant Replacement | **-900,000** | Insufficient unrestricted cash balance – to be repaid when funds available |
| 25/144OC | 30/04/2025 | Terralong ILU Capital Works | **-1,100,000** | Insufficient unrestricted cash balance – to be repaid when funds available |
| 25/259OC | 31/07/2025 | Plant Replacement | **-874,588** | Insufficient unrestricted cash balance – to be repaid when funds available |
| 25/289OC | 31/08/2025 | Employee Leave Liabilities | **-1,500,000** | Insufficient unrestricted cash balance – to be repaid when funds available |
| 25/289OC | 31/08/2025 | Terralong ILU Capital Works | **-1,000,000** | Insufficient unrestricted cash balance – to be repaid when funds available |
| | | **Total repayable transfers** | **-7,271,600** | |

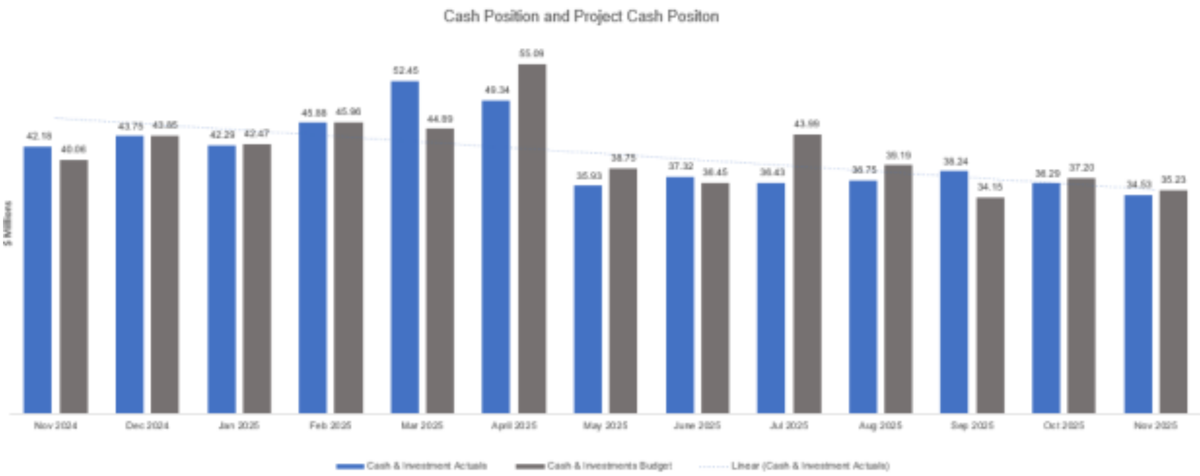
As per each resolution, all tabled transfers will be repaid as soon as unrestricted funds become available.

**Consolidated cash position and cash flow forecast**

The below graph depicts the cash forecast for a period of 12months including November 2025, whilst comparing the current cash reserve balance to the predicted cash reserve balance.

The cash position at the end of November 2025 is $690K unfavourable to forecast, however the adjusted cash flow forecast in the Short-Term Cash & Reserves Position Report included the use of Council's overdraft of $2M, which has not been required. This in turn reflects a favourable position of $1.31M.

The cash flow forecast will continue to be tightly monitored and updated across Council's entire operations but notably to better reflect the timing issues of key matters such as the Terralong building compliance issue and the upcoming unit sales. Additionally, a review of all internal and external reserves along with a review of internal corporate allocations will occur to ensure appropriate and equitable allocation across business units and corresponding reserves.




### Certification – Responsible Accounting Officer

I hereby certify that the investments listed in this report have been made in accordance with Section 625 of the *Local Government Act 1993*, clause 212 of the Local Government (General) Regulation 2021 and Council's Investment Policy.

Daryl Hagger
**Acting Chief Financial Officer**

03/12/2025