Item 13.1

13 REPORT OF THE DIRECTOR CORPORATE AND COMMERCIAL

13.1 Monthly Financial Report - February 2026

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 YTD to 28 February 2026 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 Monthly Council Reports - February 2026⇨

RECOMMENDATION

That Council receives and adopts the Monthly Financial Report for February 2026.

Executive summary

Council's 2025-26 budget continues to rely on asset sales and grant funding to deliver positive cash flow to cover asset depreciation and for critical reinvestment in future strategic revenue generating initiatives.

The current Performance Improvement Order (PIO) specifies Council must demonstrate sustainable financial performance, including net surplus positions before one-off divestments and maintaining positive unrestricted cash balances by the 2026-27 financial year.

As at 28 February 2026, Council's YTD operating results from continuing operations excluding depreciation are moderately below the adopted budget ($623K U). After depreciation which shows $1.2M Unfavourable, and excluding capital grants, the operating result is materially unfavourable ($1.8M U).

Council's YTD unrestricted cash flow is $554K. The full year forecast of $4.9M is dependent on timing of property divestments & Blue Haven Terralong ILU settlements. (Refer to cash flow section for further details).

Operating results

As at 28 February 2026, YTD consolidated operating results from continuing operations excluding depreciation show Council is tracking moderately behind its adopted budget, with an unfavourable variance of $623K (4%).

When considering operating results from continuing operations including depreciation, the result is $1.8M (17%) unfavourable.

Council Finance and Infrastructure Teams are reviewing asset life cycles, taking into consideration recent work on the asset management plan and external benchmarks. This work will inform a potential decrease in depreciation expense, improving the current variance. Broadly the issue of high depreciation based on asset revaluations is something that is being discussed and reviewed by OLG.

<u>Total income from continuing operations</u>

At the consolidated level, Council's YTD income is marginally under budget by $463K (1%). Half of the variance was from lower interest revenue due to decreased investment balances ($235K U). There were also shortfalls in fees and charges across multiple operations ($172K U), and reduced Deferred Management Fees (DMF) from Blue Haven Terralong, due to a combination of unit vacancies and a higher proportion of current residents whose DMF have been fully amortised ($151K U). Councillors have been extensively briefed on the rationale for vacancies. These unfavourable variances were partially offset by higher capital grant receipts from the Local Roads and Community Infrastructure Program (LRCIP4) ($210K F).

Expenses from continuing operations excluding depreciation

Expenses from continuing operations, excluding depreciation, are $159K (<1%) unfavourable. This result is driven by higher employee costs ($473K U) due to lower vacancies, higher overtime, and higher casuals due to peak season timing. This was partly offset by a $276K favourable variance in materials and contracts. Further details can be found in Table 1.

Depreciation

YTD depreciation expenditure is unfavourable by $1.2M. As noted earlier, a review of asset useful lives and depreciation assumptions across certain asset classes is in progress, taking into consideration the outputs of asset management planning, as well as external benchmarks. This review was foreshadowed in the 2025/26 budgeted depreciation reduction of $2M. The current actuals continue to reflect higher depreciation charges until the review is completed in the next 1-2 months.

Table 1. This table provides further explanation of the identified material budget variances

Financial Reporting Level	Consolidated Variances	General Fund (Council operations Excluding Holiday Parks & Blue Haven Terralong operations)	Holiday Parks	Blue Haven
User charges and fees	$172K (1%) (U)	$35K U (1%) • Pavilion revenue – $62K U decreased formal events, weddings, and conference bookings • Compliance – Reduction in compliance with notice and orders $54K U • Property & Commercial – Additional revenue relating to various leases & contracts $86K F • Others $5K U	$88K U (1%) • Revenue marginally below budget across all parks. Werri Beach and Seven Mile Beach have offsetting variances, which may require a re-balancing of the budget.	$49K U (7%) • ILU Maintenance Levy revenue lower due to multiple unit vacancies.
Interest & Investment Revenue	$235K (18%) (U)	$239K U (18%) • Lower than forecast cash and investment balances, despite increasing interest rates.	-	-
Other revenue	$114K (4%) (U)	$36K F (3%) • Visitor Information Centre income - $62K F	<$1K U (<1%) • On track	$151K U (11%) • Lower DMF due to vacant units and a

Financial Reporting Level	Consolidated Variances	General Fund (Council operations Excluding Holiday Parks & Blue Haven Terralong operations)	Holiday Parks	Blue Haven
		higher sales from peak season compared to budget allocation • Parking Fines - $43K U due to timing of NSW Revenue processing fines • Other immaterial variances $19K F		higher proportion of residents whose DMF have already been fully amortised after 5 years in accordance with contract terms.
Capital Grants and Contributions	$210K (13%) (F)	$210K (13%) (F) • Higher final capital grant milestone payments from Local Roads and Community Infrastructure Program (LRCIP4) post project completion.	N/A	N/A
Employee Benefits	$473K (2%) (U)	$440K U (2%) • Vacancy rate $250K U – Higher recruitment and less vacancy than forecast • Overtime $91K U - Mainly in Domestic Waste ($51K), Works Depot ($21K) and Engineering Works ($15K); Penalty rates $44K U in Compliance ($27K), Domestic Waste ($10K) and Leisure Centre ($10K) • Casuals $96K U – Leisure centre peak season timing, Lifeguards minor overspend, Records undertaking digitisation project • Allowances $26K U and lump sum back payments $13K U • Capitalised wages $14K U • Training $150K F - Timing	<$1K U (<1%) • On track	$33K U (18%) • Overtime $20K U – relating to emergency maintenance and callouts

Financial Reporting Level	Consolidated Variances	General Fund (Council operations Excluding Holiday Parks & Blue Haven Terralong operations)	Holiday Parks	Blue Haven
Materials and Contracts	$276K (2%) (F)	$115K F (1%) • A backlog in invoicing has resulted in timing differences in expenditure, resulting in a favourable variance across the general fund.	$222K F (6%) • Timing-related underspends relating to utilities ($14K F), linen costs ($35K) due to invoice timing and improved contract terms • Maintenance spending ($123K F), as some works could not be carried out during the peak season and are expected to occur later in the financial year • Marketing costs ($54K F) due to vacancy	$61K U (18%) • Essential maintenance and repairs expenditure partly funded from resident restricted reserve
Depreciation & Amortisation	$1.2M (20%) (U)	$1.3M U (23%) • Budget assumption of $2M lower annual depreciation from a review of useful lives, which is yet to be completed. • Additional depreciation relating to $14M assets identified in FY25 audit.	$76K F (19%) • Mapping of depreciation against Holiday Parks assets to be reviewed.	N/A

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

Material Variances explained in Table 1	**$1.7M (U)**	Total of material variances listed above
Immaterial Variances	**$113K (U)**	Total of other remaining immaterial variances

Total variance per Consolidated Income Statement (Continuing Operations)	**$1.8M (U)**	
Unrestricted Fund Variance	**$1.2M (U)**	**Net impact on unrestricted cash position, including:** - $235K U - Interest & Investment Revenue - $151 U – Other revenue - $473 U - Employee Benefits - $175K U - Other immaterial variances
Restricted Fund Variance	**$619K (F)**	**Net impact on restricted cash position, including:** - $121K U User charges and fees (Domestic Waste and Crown Land Reserves) - $177K F Operational and Capital grants (Unspent Grant Reserve) - $171K F Employee Benefits (Domestic Waste, Crown Land and Plant Reserves) - $347K F – Materials and Contracts (Domestic Waste, Crown Land and Plant Reserves) - $45K F – Other immaterial variances
Non-Cash Variance	**$1.3M (U)**	**Net impact - No impact on cash position** - $1.2M U – Depreciation - $62K U – Cost of assets sold for Plant & Equipment

Cash flow

Council has recorded a net outflow of $1M over the eight months to February 2026. The annual budget projects a $449K inflow by June 2026, therefore net cash inflows are expected to occur in the following months.

Unrestricted cash has increased by $554K YTD. This includes proceeds from land sales relating to Glenbrook Drive ($2.3M) and $1.6M drawn from restricted reserves, partly offset by BAU activity, including net movements in creditors/debtors. As a result, the unrestricted cash balance has increased to $1.5M, up from $923K at the beginning of the financial year.

The unrestricted cash balance is forecast to grow by $4.9M by the end of the year. This result takes into consideration the completion of property divestments (including Glenbrook Drive settlements of $1.5M in March and the expected sale of Akuna Lane for $1.1M in April). Furthermore, the forecast also relies on Blue Haven Terralong ILU sales, including $3.4M expected to be settled in March, and $2.5M in April.

Blue Haven Terralong Unit Sales

The cash flow forecasts will continue to be closely monitored and updated across Council's entire operations, with particular focus on the timing of key matters such as the Blue Haven Terralong building compliance issue and upcoming unit sales.

The current Fire Safety Order has resulted in unit refurbishment delays, which are in turn delaying unit sales and therefore impacting cash reserves. Council staff are working diligently to prepared DA's, resolve dry fire issues and resolve these matters. The Fire Safety Order has the added impact of requiring a DA process for the normal internal unit refurbishment process adding to the delay in sales. A loan application for fire safety upgrades is in preparation.

Item 13.2

13.2 Statement of Investments - March 2026

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 31 March 2026 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

Nil

RECOMMENDATION

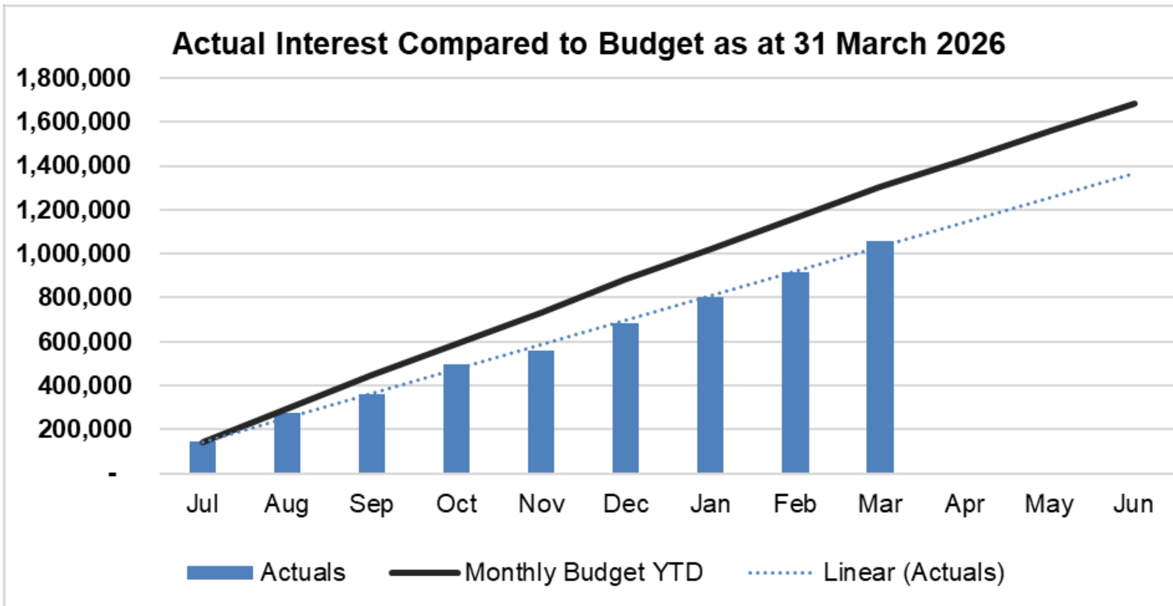
That Council receives the information relating to the Statement of Investments as at 31 March 2026.

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 March, excluding cash, the total portfolio provided a return of +0.38% (actual) or +4.60% p.a. (annualised), outperforming the benchmark AusBond Bank Bill Index return of +0.32% (actual) or +3.81% 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 in March, therefore interest income is lower than the adopted QBR2 budget.

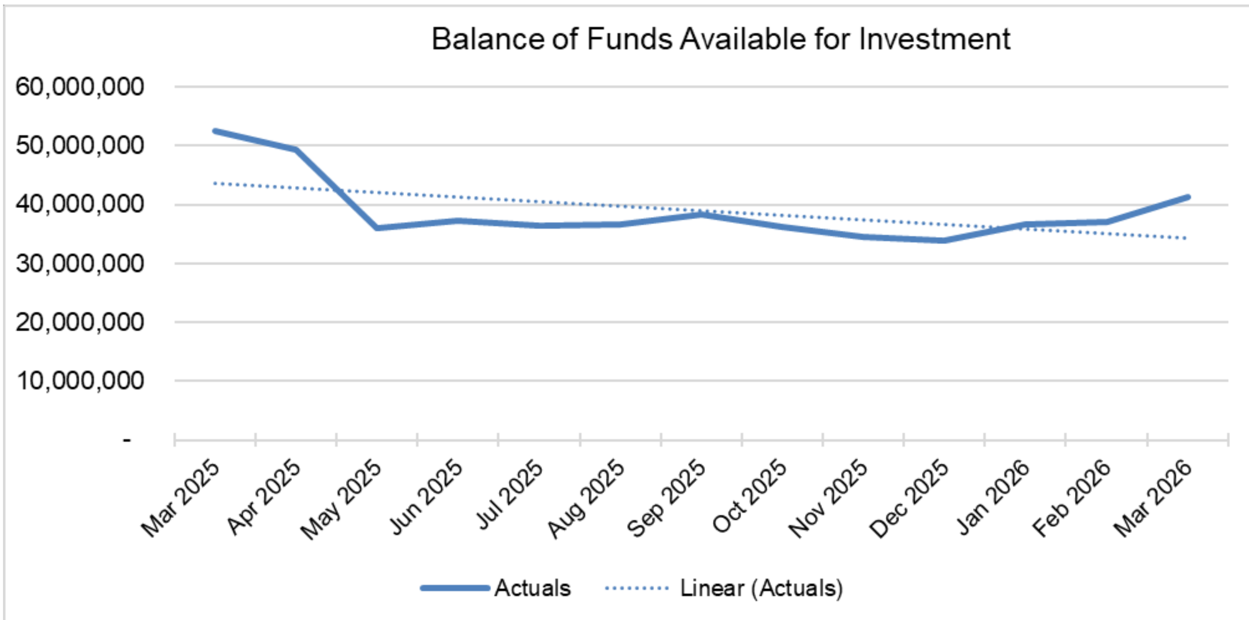
Portfolio compliance

As at month-end, all individual counterparties were within policy limits except for Westpac (AA-) due to higher Cash at Bank balances. This temporary overinvestment in Westpac was rectified on 8 April 2026 when $6M was invested in a range of short to medium term investments. We stress that exposures are dependent on capital inflows/outflows which can be volatile and unexpected at times. The Easter holiday period 3 to 6 April also intervened. Any such policy limit compliance matters are temporary and rectified as soon as practicable.

In line with the Investment Policy, the portfolio is rebalanced to within the policy limits within a short timeframe through either upcoming maturities (redeemed) or surplus cash being invested as soon as practically feasible with complying counterparties.

Compliant	Issuer	Rating	Invested ($)	Invested (%)	Max. Limit (%)	Available ($)
✗	Westpac	AA-	$18,237,543	44.23%	40%	-$1,742,526
✓	NAB	AA-	$5,000,000	12.12%	40%	$11,495,017
✓	ING	A	$10,000,000	24.25%	30%	$2,371,263
✓	BOQ	A-	$3,000,000	7.27%	30%	$9,371,263
✓	Hume Bank	BBB+	$1,000,000	2.42%	15%	$5,185,631
✓	State Bank of India	BBB	$4,000,000	9.70%	15%	$2,185,631
			$41,237,543	**100.00%**		

Movement in investments



Trades matured in March:

Issuer	Rating	Type	Interest	Purchase	Maturity	Rate %	Value
Bank of Us	BBB+	TD	At Maturity	06/03/2024	11/03/2026	4.96	1,000,000
Total							**1,000,000**

New trades were entered into in March:

Issuer	Rating	Type	Interest	Purchase	Maturity	Rate %	Value
NAB	AA-	TD	At Maturity	11/03/2026	09/09/2026	5.06	1,000,000
ING Bank (Australia) Ltd	A	TD	At Maturity	11/03/2026	10/03/2027	5.14	1,000,000
Total							**2,000,000**

Portfolio summary:

Issuer	Rating	Type	Interest	Purchase	Maturity	Rate %	Value
ING Bank (Australia) Ltd	A	TD	GENERAL	11/04/2024	08/04/2026	4.92	2,000,000
State Bank of India, Sydney Branch	BBB	TD	GENERAL	02/07/2025	29/04/2026	4.15	2,000,000
BOQ	A-	TD	GENERAL	27/11/2025	27/05/2026	4.34	2,000,000
NAB	AA-	TD	GENERAL	04/09/2025	04/06/2026	4.18	1,000,000
State Bank of India, Sydney Branch	BBB	TD	GENERAL	11/06/2025	10/06/2026	4.3	1,000,000
Westpac	AA-	TD	GENERAL	10/07/2025	08/07/2026	4.15	2,000,000
ING Bank (Australia) Ltd	A	TD	GENERAL	22/07/2025	22/07/2026	4.15	1,000,000
NAB	AA-	TD	GENERAL	06/08/2025	05/08/2026	4.16	1,000,000
NAB	AA-	TD	GENERAL	11/03/2026	09/09/2026	5.06	1,000,000
NAB	AA-	TD	GENERAL	14/01/2026	14/10/2026	4.5	1,000,000
NAB	AA-	TD	GENERAL	04/09/2025	04/11/2026	4.11	1,000,000
ING Bank (Australia) Ltd	A	TD	GENERAL	18/12/2025	18/11/2026	4.55	2,000,000
BOQ	A-	TD	GENERAL	04/12/2025	02/12/2026	4.39	1,000,000
ING Bank (Australia) Ltd	A	TD	GENERAL	07/01/2026	06/01/2027	4.64	1,000,000
ING Bank (Australia) Ltd	A	TD	GENERAL	04/02/2026	03/02/2027	4.83	1,000,000
ING Bank (Australia) Ltd	A	TD	GENERAL	11/02/2026	10/02/2027	4.89	2,000,000
ING Bank (Australia) Ltd	A	TD	GENERAL	11/03/2026	10/03/2027	5.14	1,000,000
State Bank of India, Sydney Branch	BBB	TD	GENERAL	28/05/2025	28/05/2027	4.25	1,000,000
Hume Bank	BBB+	TD	GENERAL	06/08/2025	04/08/2027	3.95	1,000,000
Westpac	AA-	CASH	GENERAL	31/03/2026	31/06/2026	3.75	16,237,543
Total 41,237,543							

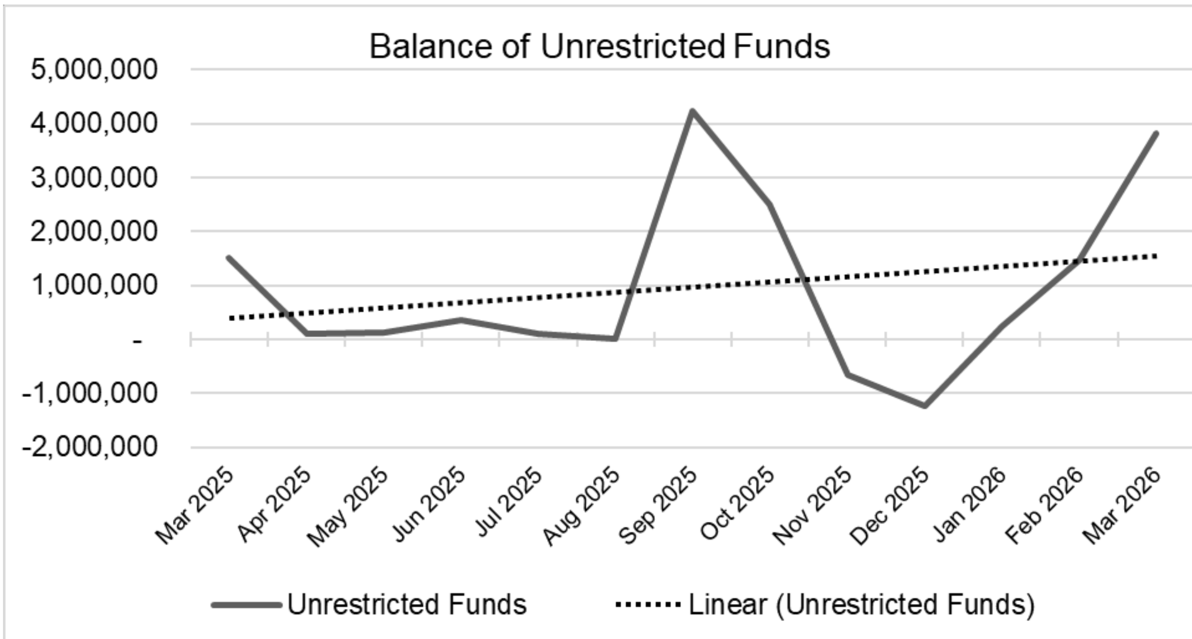
Restricted Funds movements

The restricted funds movement for March 2026 are presented in the tables below.

Cash and Investments Held	28/02/2026	Movement	31/03/2026
Cash at Bank - Transactional Account	13,135,990	3,101,553	16,237,543
Other Cash and Investments	24,000,000	1,000,000	25,000,000
Total Portfolio Balance (agrees to Arlo Advisory report)	**37,135,990**	**4,101,553**	**41,237,543**
Cash on Hand	5,550	-	5,550
Unpresented cheques & other items	234,132	(11,023)	223,110
Book Value of Cash and Investments	**37,375,673**	**4,090,530**	**41,466,203**
Unspent Loan Funding	400,000	-	400,000
Unexpended Grants	4,406,721	(79,197)	4,327,524
Developer Contributions (Unexpended)	14,500,831	758,150	15,258,981
Stormwater Levy	602,685	22,765	625,450
Security bonds, Deposits & Retentions	1,886,649	316,402	2,203,051
Crown Reserve	3,142,131	98,537	3,240,668
Domestic Waste Management	7,926,141	34,496	7,960,637
Blue Haven Terralong ILU Maintenance Levy	1,715,405	-	1,715,405
Roads Reserve	35,200	-	35,200
External Restrictions	**34,615,764**	**1,151,152**	**35,766,916**
Employee Leave Liabilities	1,440,502	-	1,440,502
Land Development	-	-	-
Temporary Funding of Disaster Recovery Funding Agreement Works	(655,192)	587,931	(67,261)
Blue Haven Terralong ILU Prudential Cover	500,000	-	500,000
Plant Replacement	-	-	-
Risk Improvement Incentive	-	-	-
Terralong ILU Capital Works	-	-	-
Internal Restrictions	**1,285,310**	**587,931**	**1,873,241**
Unrestricted Cash	**1,474,599**	**2,351,447**	**3,826,047**

Item 13.2

Unrestricted funds



Council's overall cash balance increased during March from $37.4M to $41.4M. The $4.1M increase is a result of business-as-usual operations and the following significant events:

- ILU Unit Sales of $3.3M,
- Grant funding received of $593K,
- Property Sales of $1.5M,
- Capital works of $430K,

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 Council will need to draw from internal reserves to provide a buffer at times during the year, until cash proceeds from operating surplus or planned divestments are realised.

The following table shows the formal use of these internal restricted reserves. No repayment of previous drawdowns of internal restricted reserves is planned at this stage until available funds exist. This will be reviewed during 2027 budget and LTFP preparations.

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**	

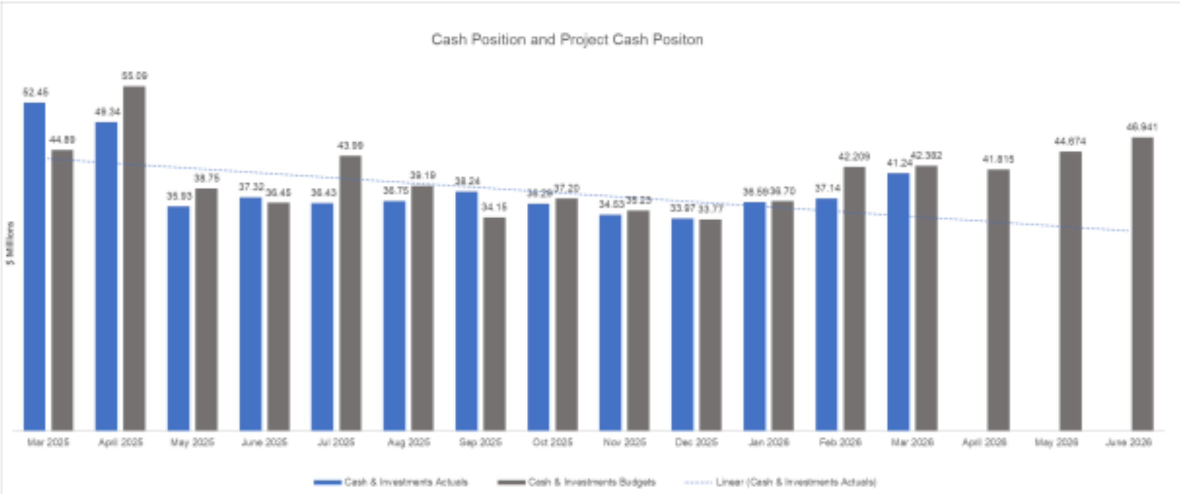
As noted earlier and as per each resolution in accordance with the policy, above transfers will be repaid as soon as unrestricted funds become available.

Consolidated cash position and cash flow forecast

The below graph depicts the historical cash balances for a period of 12 months including March 2026 and a forecast until 30 June 2026, while comparing the current cash reserve balance to the budgeted cash reserve balance.

The cash position at the end of March 2026 is $1.1M unfavourable to forecast. This is also reflected in lower interest earnings.

The cash flow forecast will continue to be tightly monitored and updated across Council's entire operations, but notably to reflect the timing issues of key matters such as the Blue Haven Terralong building compliance issue and the upcoming unit sales, which have a significant impact on cash reserves. 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.

Jose Diaz
Chief Financial Officer

9/04/2026

13.3 Proposed road closure: traversing Lot 1 & 2 in DP 1098035 Stewart Place Kiama

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, traverses Lot 1 & 2 in DP 1098035 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*, 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. Council will be responsible for 50% of the valuation fee & their own legal fees which is covered in the 25/26 budget, estimated at less than $5K.

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 underutilised asset.

Risk implication

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

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

Property Coordinator

Property Projects Officer

Director Infrastructure & Operations

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 15 January 2026 to relevant authorities and no objections have been received.

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 traversing Lot 1 & 2 in DP 1098035, Kiama.
2. Classify the subject land 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 traversing Lot 1 & 2 in DP 1098035.
4. Note that most of the costs associated with the road closure will be borne by the applicant with Council only contributing a minor amount as noted in the report.
5. Note that a separate report will be provided to Council to seek approval for the land to be sold.

Background

Council is the Roads Authority for the surplus road reserve identified as a pathway traversing Lot 1 and Lot 2 in DP 1098035, 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*.

Council has received an unsolicited request on 29 September 2025 from the adjoining landowner at 10 Stewart Place, Kiama to close and purchase the unformed section of Council-owned public road.

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 land extends along the northern boundary of the applicant's land and is approximately 153 square metres (unsurveyed).

Diagram A – showing the surplus road reserve location provided for in DP 1098035 Kiama

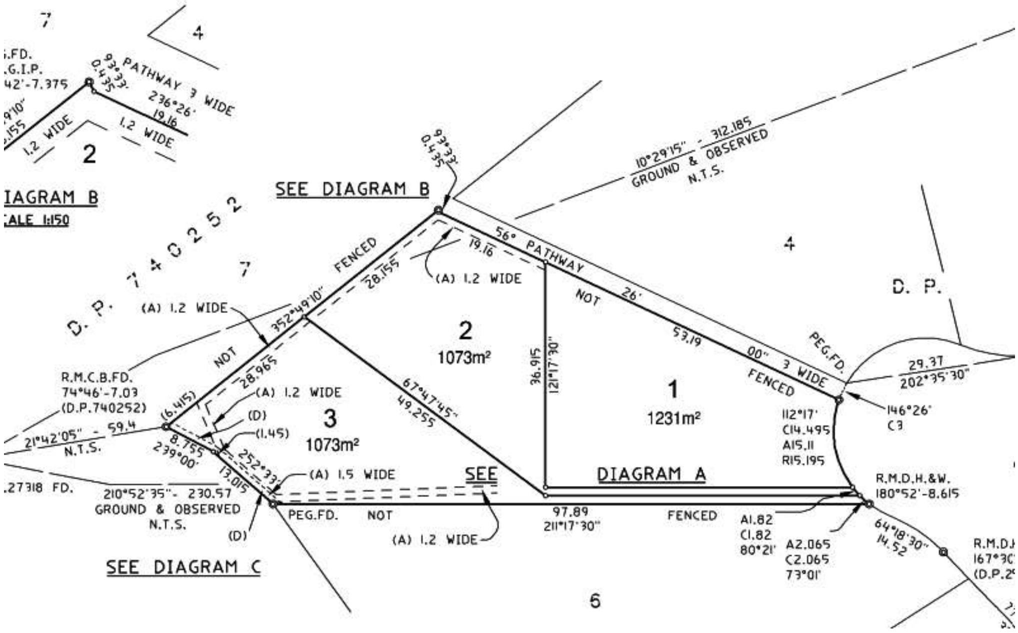


Diagram B – showing the Deposited Plan 1098035

Council officers have contacted the adjoining landowner of DP 1098035, being 12 Stewart Place, Kiama, on 31 October 2025 to advise of the proposal and the potential opportunity to purchase part of the subject land between the two adjoining landowners, if there was any interest.

The adjoining owners have subsequently declined this opportunity, by email on the same day, confirming they hold no objection to the land being closed and transferred to the proposed applicant.

Conclusion

Council is the Roads Authority for the surplus road reserve provided for in DP 1098035 traversing 10 and 12 Stewart Place, 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.