13 REPORT OF THE DIRECTOR CORPORATE AND COMMERCIAL

13.1 Endorse for public exhibition: draft External Grant Management Policy

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 policy applies to all external grants that Council may seek or receive for its projects and operations.

The requirement for this policy was identified during the internal audit review of grant management.

Financial implication

Grants are an important component of Council funding and it is imperative that public funds are managed transparently and efficiently.

Risk implication

Without a policy, there is a risk that grant submissions are made that may not align strategically or financially to Council's Delivery Program/Operational Plan and Budget.

Policy

External Grant Management Policy

Consultation (internal)

Executive Leadership Team (ELT)

Audit, Risk and Improvement Committee

Governance team

Finance team

Communication/Community engagement

This policy will be placed on public exhibition for 28 days.

Attachments

Nil

Enclosures

1 DRAFT External Grant Management Policy

RECOMMENDATION

That Council:

1. Endorse the External Grant Management Policy for public exhibition for a period of 28 days calling for submissions.
2. Following conclusion of the exhibition period:
   (a) Receive a further report for consideration, if any relevant submissions are received or if any substantial changes are proposed for any other reason, detailing the public exhibition outcomes and proposed changes with recommendations regarding adoption of the above documents, or
   (b) Adopt the External Grant Management Policy if there are no relevant submissions received and there are no substantial changes proposed for any other reasons.

Background

Kiama Council does not have a policy to manage grants provided to Council. This was highlighted during the internal audit review. The Policy will provide clarity, consistency and direction regarding grants management where Council is the direct applicant and recipient.

In line with the Policy Framework, the External Grant Management Policy was approved by the ELT at its meeting on 24 June 2025 and subsequently reviewed by the Audit, Risk and Improvement Committee at its meeting on 7 July 2025. Presenting to Council for final endorsement was delayed due to staff turnover in the Finance team.

This policy is being reported to Council to be placed on public exhibition for community feedback and subsequent formal endorsement.

The policy outlines:

- Roles and responsibilities
- Funding applications process
- Management of grant projects and funds
- Completion of grant-funded projects (acquittal).

Item 13.2

13.2 Post exhibition update: Kiama Sports Complex Masterplan

CSP Objective:	Outcome 1.2: We embrace the natural beauty of our area which fosters a healthy, active lifestyle and a diverse range of activities to sustain our mental and physical well-being, supported by the services and facilities we rely on.
CSP Strategy:	1.2.1 Foster accessible, inclusive and safe community spaces, facilities and services that cater to a range of physical, mental and social needs for different ages and abilities.
Delivery Program:	1.2.1.4 Finalise the development of a masterplan to include future plans and design for the Kiama Leisure Centre.

Summary

The purpose of this report is for Council to endorse the Kiama Sports Complex Masterplan. The Masterplan provided 3 options for the community to provide feedback.

The Masterplan options were on public exhibition from 10 June 2025 to 5 August 2025.

The submissions and stakeholder feedback have been considered, and a summary of key issues and concerns were set out in the Information report to Council in September 2025 and included in the Public Exhibition Engagement Report (Enclosure 1).

The updated Masterplan has incorporated the highlighted and best elements of each of the options, incorporating the feedback received and includes the skatepark. *It is imperative to note that the masterplan requires funding far beyond what Kiama Municipal Council can provide and may require staging, grant funding from State and Federal Governments or private investment*.

Financial implication

Preparation of the Masterplan options has included both internal and external resources. The consultant cost for the preparation of the Masterplan options was $75,000 which was grant funded through the Australian Government - Department of Infrastructure, Transport, Regional Development and Communications.

The implementation of the Masterplan and future development of the site will require further grant funding from various government bodies to be sourced.

Risk implication

The preparation of the draft Masterplan is to provide Council and the Community with a strategic approach to future development of the site. This will ensure any proposals put forward to Council are considered against the Masterplan and to ensure Council has an approved document to assist with any grant funding opportunities.

There is a risk that the masterplan creates an expectation for immediate funding which cannot be realised. Its implementation will take time and require funding from multiple sources.

Policy

Nil

Consultation (internal)

Community Engagement Officer

Manager Community Hubs

Head of Implementation

Director Corporate and Commercial

Communication/Community engagement

The Masterplan options were placed on public exhibition for 56 days inviting feedback and submissions from the community.

During the public exhibition period Council held pop ups at various places throughout the area including Gerringong Town Hall and Kiama Sports Complex. Three stakeholder meetings were also undertaken. 177 submissions were received including a joint submission from the Kiama Sports Complex Users Working Group.

The key issues raised in the submissions and any recommended changes to the Masterplan options are set out below in the report and are included in the Public Exhibition Engagement Report (Enclosure 1).

Attachments
Nil

Enclosures

1 Public Exhibition Engagement Report - Kiama Sports Complex

2 Kiama Sports Complex Masterplan Option 3

RECOMMENDATION

That Council:

1. Note the Public Exhibition Engagement Report.
2. Endorse the Kiama Sports Complex Masterplan Option 3 as the preferred future development plan for the complex and the site.
3. Actively pursue funding opportunities as they arise from other levels of government towards the implementation of the masterplan, noting that the plan may require staging and will take considerable time to be realized.
4. Include in its advocacy plan the inclusion of the Kiama Sports Complex Masterplan.
5. Thanks all who made submissions and delegates to the CEO to prepare correspondence thanking the Kiama District Sports Association and its members for their comprehensive feedback.

Strategic context

The preparation of The Kiama Sports Complex Masterplan has been a key priority of Council's Delivery Program and Operational Plan for the past 2 and half years.

Grant funding was received from the Australian Government - Department of Infrastructure, Transport, Regional Development and Communications in the amount of $75,000 to prepare the masterplan 3 options.

This update Report notes progression of the Information report provided to Council in September 2025, specifically reverting to the consultant to incorporate key feedback matters.

Options

Three (3) options were presented to the community. All 3 options did not include the provision of a skatepark although one is currently located at the Sports Complex.

Option 1 included:

- Removal of the skatepark and grandstand to allow the athletics track to move slightly to the west
- Construction of a double-sided grandstand to include amenities & storage this to be located between the athletics track and football/cricket fields
- Rotation of the cricket nets to limit ball run-off
- Construction of eight (8) netball courts over existing parking in the middle of the site
- Construction of a shared two-storey clubhouse central to the site
- Addition of a small playground between the grandstand building and the clubhouse
- Increased car parking.

Option 2 included:

- Removal of the skatepark and grandstand to allow the athletics track to move slightly to the west
- Construction of a double-sided grandstand to include amenities & storage this to be located between the athletics track and football/cricket fields
- Rotation of the cricket nets to limit ball run-off
- Excavation of rock to expand netball area and construction of eight (8) netball courts
- Construction of a two-story netball clubhouse
- Construction of a new Leisure Centre central to the site with additional amenities for use of users of the Leisure Centre and the sporting complex
- Increased car parking.

Option 3 included:

- Reconstruction of the Leisure Centre in the same location as it is currently

- Removal of the skatepark and grandstand to allow the athletics track to move slightly to the west
- Construction of a double-sided grandstand to include amenities & storage this to be located between the athletics track and football/cricket fields
- Rotation of the cricket nets to limit ball run-off
- Construction of eight (8) netball courts over existing parking in the middle of the site
- Construction of a shared two-storey clubhouse central to the site
- Addition of a small playground between the grandstand building and the clubhouse
- Increased car parking.

Submissions received on the draft Masterplan

Council received 177 submissions during the exhibition of the Masterplan. All have been read and considered. A summary of the key issues raised, council staff responses, and any resulting recommended change to the draft strategy are provided in the Public Exhibition Engagement Report (Enclosure 1). The submissions supported the concept of a Masterplan.

Changes to Masterplan

The process to prepare the draft Masterplan has been extensive and included significant community and stakeholder engagement. *Option three (3) was the preferred option*, however 121 submissions indicated they were not certain of any of the options provided.

The strongest point to come out of the public exhibition process was the proposed removal of the skatepark included in all 3 options. Most submissions requested that the skatepark remain in its current location.

Other feedback suggestions and/or concerns to be further considered are:

1. Additional netball courts incorporating basketball and multipurpose courts including pickleball.
2. Consideration of a children's splash pad within the leisure centre
3. Additional female amenities
4. Additional lighting around the complex
5. Additional parking to what was outlined in all 3 options

Kiama Sports Complex Masterplan Option 3

The Kiama Sports Complex Circulation Plan Option 3 includes:

- Reconstruction of the Leisure Centre in the same location as it is currently
- Removal of the skatepark and grandstand to allow the athletics track to move slightly to the west
- Construction of a double-sided grandstand to include amenities & storage this to be located between the athletics track and football/cricket fields
- Rotation of the cricket nets to limit ball run-off
- Construction of eight (8) netball courts over existing parking in the middle of the site
- Construction of a shared two-storey clubhouse central to the site
- Addition of a small playground between the grandstand building and the clubhouse
- Multideck carparking with 99 spaces per level
- Skatepark located to the west of the Leisure Centre
- Lighting
- Landscaping

Main changes to the Masterplan

The Sports Complex Masterplan has been updated in response to community feedback received during the consultation process. The revised plan reflects a strong commitment to listening to residents, users, and sporting groups, with changes aimed at improving access, functionality and community benefit. The main updates are as follows:

- **Community submissions** have been carefully considered and have directly informed the revised design of the Sports Complex.
- **Additional car parking** has been included to better meet the needs of users and visitors. This includes a proposed multi-deck car park with 99 spaces per level, increasing the overall parking capacity to approximately 410 spaces.
- **A new skatepark** has been added, located to the west of the Leisure Centre, providing a dedicated space for young people and informal recreation.
- **The netball precinct** has been reconfigured to improve functionality, with the clubhouse relocated to a more practical and accessible position.
- **Spaces across the complex have been more clearly defined** and labelled to make the site easier to understand and navigate for all users.

The Masterplan establishes a long-term strategic framework for the coordinated development of the sporting complex. While extensive consultation informed the preparation of the Masterplan, it is acknowledged that not all requests raised by stakeholders and the community are incorporated within the Masterplan concept at this time. The inclusion of an item within the Masterplan does not imply immediate delivery, funding commitment or detailed design approval.

The Masterplan is not intended to represent a final or fully funded design. Rather, it provides guidance for the future, staged development of the site. Individual elements will be subject to further prioritisation, availability of funding (including external grant funding), detailed design investigations and separate Council consideration and approval. As funding opportunities arise and detailed design is undertaken for specific components, some additional requests may be reconsidered and incorporated where they align with the overall Masterplan vision and are supported by funding and assessment outcomes.

Further Public Exhibition Option

While the amendments to the Sports Complex Masterplan are considered refinements that respond to issues raised from the community during the public exhibition, a further period of public exhibition is not required under Council's statutory or policy obligations.

Notwithstanding this, *Council may choose* to again place the updated Masterplan on public exhibition should Councillors wish to provide the community with an additional opportunity to review the changes and offer further feedback prior to adoption.

To place the revised document on additional public exhibition would be a matter for Council to determine, should Councillors consider it appropriate to provide a further opportunity for community awareness and feedback, having regard to the scale and long-term importance of the Sports Complex.

Conclusion

The Kiama Sports Complex Masterplan will be an important strategic planning document that will guide future recreational development in the Kiama Town Centre. Implementation of the Masterplan will require significant grant funding assistance.The community and stakeholder engagement that has been carried out and the feedback provided to date has provided valuable input into the Masterplan.

13.3 Statement of Investments - April 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 30 April 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

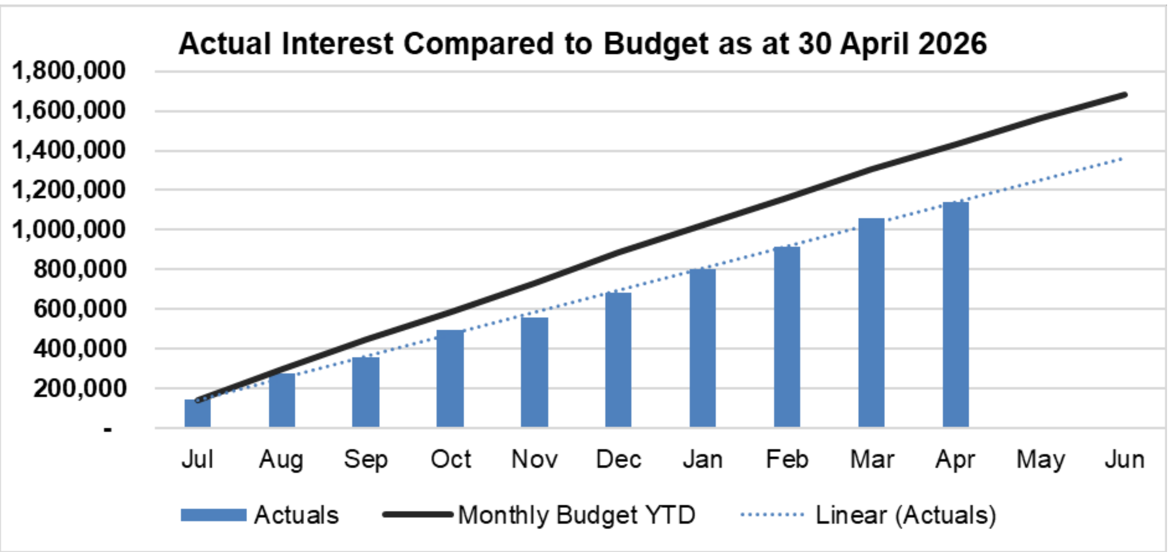
That Council receives the information relating to the Statement of Investments as at 30 April 2026.

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 April, excluding cash, the total portfolio provided a return of +0.38% (actual) or +4.78%p.a. (annualised), outperforming the benchmark AusBond Bank Bill Index return of +0.34% (actual) or +4.24% p.a. (annualised). All time periods are now comfortably above benchmark returns.



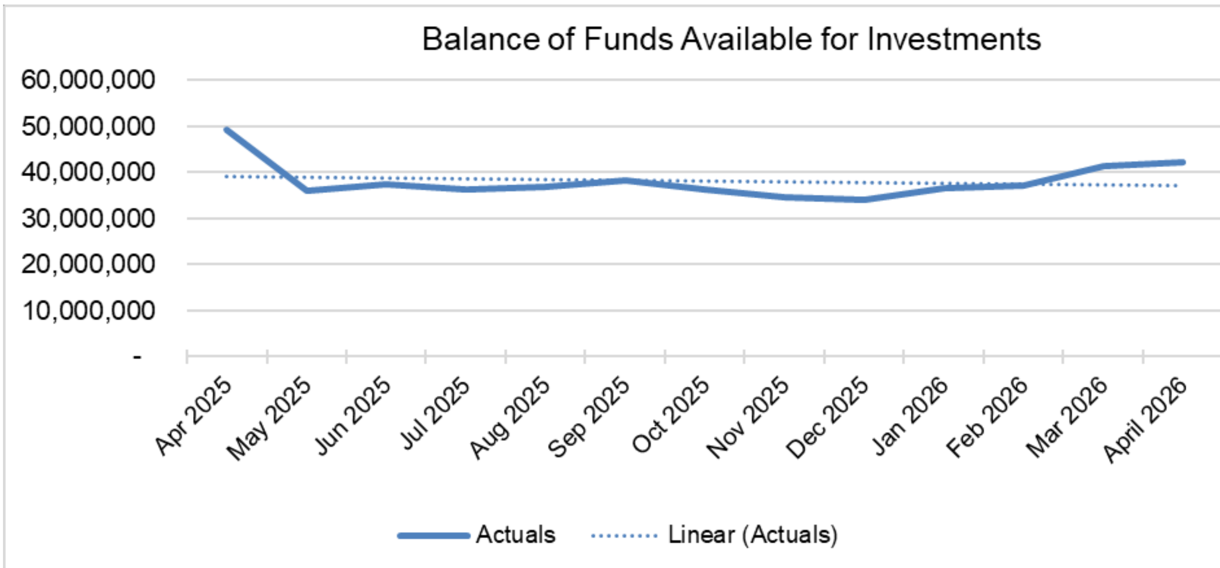
Even though the total portfolio continues to perform above benchmarks, surplus cash and investment balances have been lower than forecast in April, therefore interest income is lower than the adopted QBR2 budget. A budget adjustment has been submitted to reflect the lower cash balances, which will realign the budget.

Portfolio compliance

As at month-end, all individual counterparties were within policy limits. There were new deposits established with Bendigo (A-) and P&N (BBB+) during the month. Exposures are dependent on capital inflows/outflows which can be volatile and unexpected at times. Any potential 'breaches' are typically temporary and usually rectified as soon as practicable.

Compliant	Issuer	Rating	Invested ($)	Invested (%)	Max. Limit (%)	Available ($)
✓	Westpac	AA-	$11,112,978	26.39%	40%	$5,732,213
✓	NAB	AA-	$7,000,000	16.62%	40%	$9,845,191
✓	ING	A	$9,000,000	21.37%	30%	$3,633,894
✓	Bendigo and Adelaide	A-	$1,000,000	2.37%	30%	$11,633,894
✓	BOQ	A-	$6,000,000	14.25%	30%	$6,633,894
✓	Hume Bank	BBB+	$1,000,000	2.37%	15%	$5,316,947
✓	P&N Bank	BBB+	$3,000,000	7.12%	15%	$3,316,947
✓	State Bank of India	BBB	$4,000,000	9.50%	15%	$2,316,947
			$42,112,978	**100.00%**		

Movement in investments



Trades matured in April:

Issuer	Rating	Type	Interest	Purchase	Maturity	Rate %	Value
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
Total							**4,000,000**

New trades were entered into in April:

Issuer	Rating	Type	Interest	Purchase	Maturity	Rate %	Value
P&N Bank	BBB+	TD	Annual	08/04/2026	13/01/2027	5.38	1,000,000
P&N Bank	BBB+	TD	Annual	08/04/2026	20/01/2027	5.38	1,000,000
P&N Bank	BBB+	TD	Annual	08/04/2026	21/10/2026	5.38	1,000,000
ING Bank (Australia) Ltd	A	TD	Annual	08/04/2026	07/04/2027	5.43	1,000,000
Bendigo and Adelaide	A-	TD	Annual	08/04/2026	14/04/2027	5.39	1,000,000
BOQ	A-	TD	Annual	08/04/2026	07/10/2026	5.34	1,000,000
BOQ	A-	TD	At Maturity	08/04/2026	07/10/2026	5.34	2,000,000
NAB	AA-	TD	At Maturity	29/04/2026	24/03/2027	5.45	2,000,000
State Bank of India, Sydney Branch	BBB	TD	At Maturity	29/04/2026	18/12/2026	5.35	2,000,000
Total							**12,000,000**

Portfolio summary:

Issuer	Rating	Type	Interest	Purchase	Maturity	Rate %	Value
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	Semi-Annual	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	11/03/2026	09/09/2026	5.06	1,000,000
BOQ	A-	TD	Annual	08/04/2026	07/10/2026	5.34	1,000,000
BOQ	A-	TD	At Maturity	08/04/2026	07/10/2026	5.34	2,000,000
NAB	AA-	TD	Annual	14/01/2026	14/10/2026	4.50	1,000,000
P&N Bank	BBB+	TD	Annual	08/04/2026	21/10/2026	5.38	1,000,000
NAB	AA-	TD	At Maturity	04/09/2025	04/11/2026	4.11	1,000,000

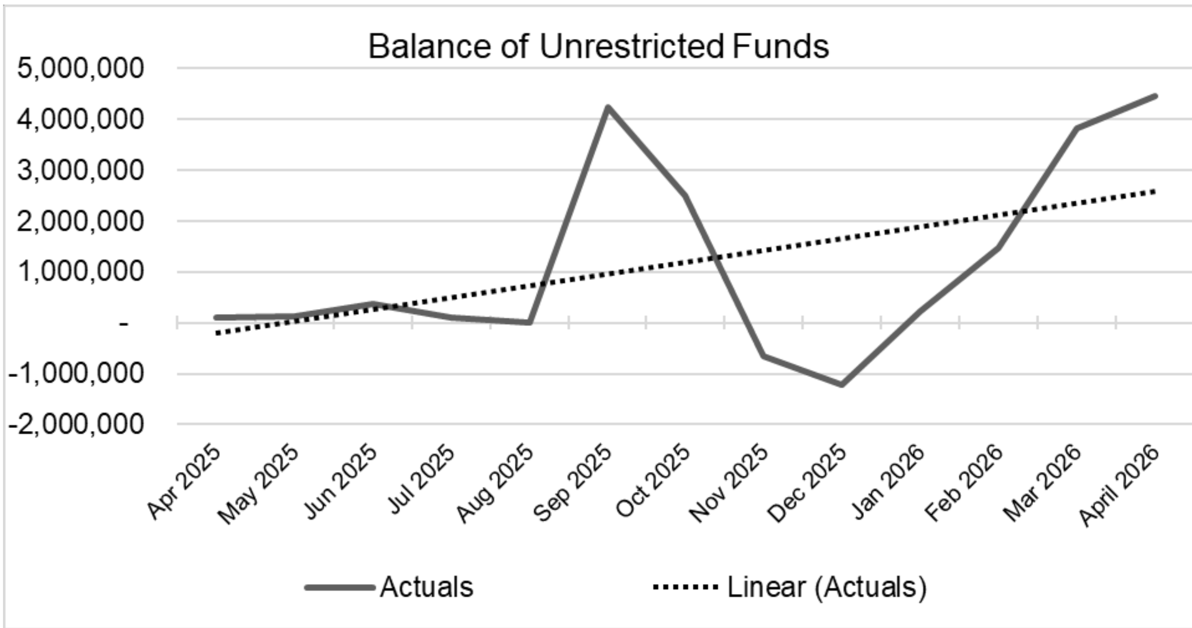
Issuer	Rating	Type	Interest	Purchase	Maturity	Rate %	Value
ING Bank (Australia) Ltd	A	TD	Annual	18/12/2025	18/11/2026	4.55	2,000,000
BOQ	A-	TD	Annual	04/12/2025	02/12/2026	4.39	1,000,000
State Bank of India, Sydney Branch	BBB	TD	At Maturity	29/04/2026	18/12/2026	5.35	2,000,000
ING Bank (Australia) Ltd	A	TD	At Maturity	07/01/2026	06/01/2027	4.64	1,000,000
P&N Bank	BBB+	TD	Annual	08/04/2026	13/01/2027	5.38	1,000,000
P&N Bank	BBB+	TD	Annual	08/04/2026	20/01/2027	5.38	1,000,000
ING Bank (Australia) Ltd	A	TD	At Maturity	04/02/2026	03/02/2027	4.83	1,000,000
ING Bank (Australia) Ltd	A	TD	At Maturity	11/02/2026	10/02/2027	4.89	2,000,000
ING Bank (Australia) Ltd	A	TD	At Maturity	11/03/2026	10/03/2027	5.14	1,000,000
NAB	AA-	TD	At Maturity	29/04/2026	24/03/2027	5.45	2,000,000
ING Bank (Australia) Ltd	A	TD	Annual	08/04/2026	07/04/2027	5.43	1,000,000
Bendigo and Adelaide	A-	TD	Annual	08/04/2026	14/04/2027	5.39	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	30/04/2026	30/04/2026	4.07	9,112,978
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	Semi-Annual	10/07/2025	08/07/2026	4.15	2,000,000
					Total		**42,112,978**

Restricted Funds movements

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

Cash and Investments Held	**31/03/2026**	**Movement**	**30/04/2026**
Cash at Bank - Transactional Account	16,237,543	(7,124,565)	9,112,978
Other Cash and Investments	25,000,000	8,000,000	33,000,000
Total Portfolio Balance (agrees to Arlo Advisory report)	**41,237,543**	**875,435**	**42,112,978**
Cash on Hand	5,550	-	5,550
Unpresented cheques & other items	223,110	1,111	224,221
Book Value of Cash and Investments	**41,466,203**	**876,547**	**42,342,750**
Unspent Loan Funding	400,000	-	400,000
Unexpended Grants	4,327,524	206,604	4,534,128
Developer Contributions (Unexpended)	15,258,981	122,149	15,381,130
Stormwater Levy	625,450	(10,524)	614,926
Security bonds, Deposits & Retentions	2,203,051	(1,800)	2,201,251
Crown Reserve	3,240,668	601,627	3,842,295
Domestic Waste Management	7,960,637	(136,039)	7,824,598
Blue Haven Terralong ILU Maintenance Levy	1,715,405	-	1,715,405
Roads Reserve	35,200	-	35,200
External Restrictions	**35,766,916**	**782,017**	**36,548,933**
Employee Leave Liabilities	1,440,502	-	1,440,502
Land Development	-	-	-
Temporary Funding of Disaster Recovery Funding Agreement Works	(67,261)	(550,963)	(618,223)
Blue Haven Terralong ILU Prudential Cover	500,000	-	500,000
Plant Replacement	-	-	-
Risk Improvement Incentive	-	-	-
Terralong ILU Capital Works	-	-	-
Internal Restrictions	**1,873,241**	**(550,963)**	**1,322,278**
Unrestricted Cash	**3,826,047**	**645,493**	**4,471,539**

Unrestricted funds



Council's overall cash balance increased during April from $41.4M to $42.3M. The $0.9 increase is a result of business-as-usual operations and the following significant events:

- 5 payroll and 5 accounts payable cycles
- Capital works of $844K
- Net ILU Unit Sales of $901K
- Grant funding received of $702K
- Property Sales of $1.2M

Council has adopted a deficit budget for the 2025-26 financial year, with an increase of $4.9 million in unrestricted cash; excluding proceeds from asset sales of $4.8 million, unrestricted cash is budgeted to increase by $0.1 million. 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**	

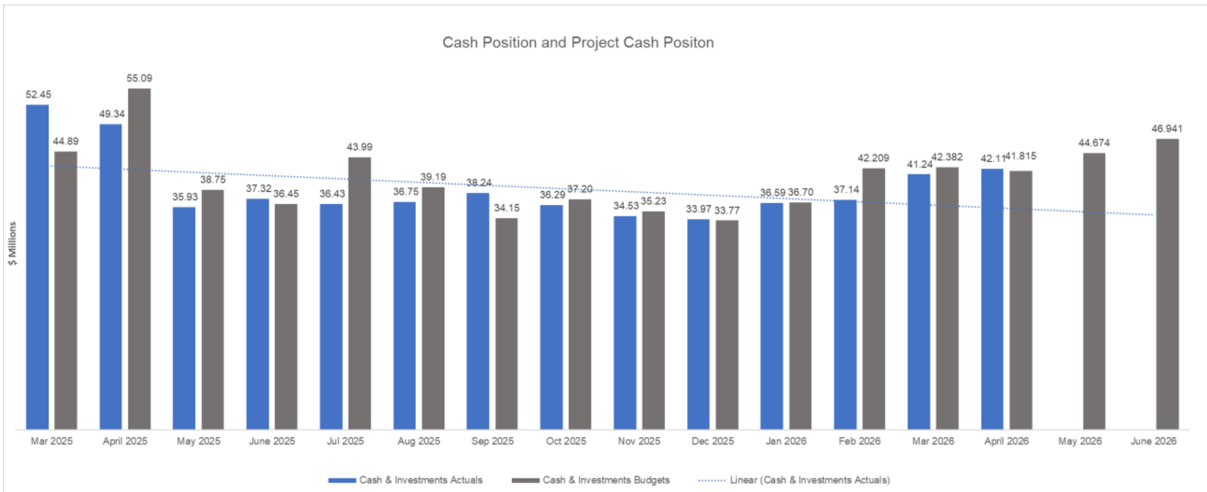
As noted earlier and as per each resolution in accordance with the policy, above transfers will be repaid as soon as unrestricted funds become available. While the unrestricted cash position in the earlier table is positive, any possible transfer to the above reserves is not recommended at this stage. A review will be undertaken before December 2026 to determine appropriate balance targets for each internal reserve and a report presented to Council.

Consolidated cash position and cash flow forecast

The below graph depicts the historical cash balances for a period of 12 months including April 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 April 2026 is $300K favourable to forecast.

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

07/05/2026

13.4 Endorse for public exhibition: Proposed update to the South Werri Reserve Plan of Management

CSP Objective:	Outcome 4.1 Public funds and assets are managed strategically, transparently and efficiently.
CSP Strategy:	4.1.2 Effectively manage assets and commercial investments, ensuring their relevance, lifecycle needs, and value are optimised in accordance with legislative requirements.
Delivery Program:	4.1.2.6 Deliver major capital works and projects utilising external funding opportunities.

Summary

The purpose of this report is to seek Council endorsement to place the updated Plan of Management (PoM) for South Werri Reserve on public exhibition. The current PoM was endorsed on 19 June 2001, since it's adoption the reserve has seen changes including the new Gerringong Surf Life Saving Club Building.

As per Section 38 of the Local Government Act 1993, Council is required to place the draft PoM on public exhibition and allow public submissions for a period of not less than 42 days.

Prior to this PoM, a draft South Werri Reserve Masterplan was prepared last year and was on public exhibition in July and August 2025. The draft Masterplan has informed and will be incorporated into this PoM. The conclusion of this PoM process will enable the implementation of the Masterplan.

In accordance with the requirements of the Local Government Act 1993, following completion of the public exhibition period, the exhibited PoM and accompanying Masterplan, together with all relevant submissions received, will be reported back to Council for consideration, recommended endorsement and adoption concurrently.

Financial implication

The financial implications associated with the draft South Werri Reserve Plan of Management has been allocated within the 2025-26 Operational Plan.

Risk implication

It is a requirement for Council under the *Local Government Act 1993* to classify and categorise all Community land.

Policy

Local Government Act 1993

Local Government (General) Regulation 2005

Public Land Management Policy

Consultation (internal)

Manager Property & Commercial

Property Coordinator

Communication/Community engagement

The draft Plan of Management will be publicly exhibited and open for public submissions for 42 days in accordance with the *Local Government Act 1993*.

Attachments

Nil

Enclosures

1 South Werri Reserve - Plan of Management - Draft

RECOMMENDATION

That Council:

1. Endorse the draft South Werri Reserve Plan of Management to be placed on public exhibition for a period of 42 days, to allow for any public submissions during this time.
2. Request that following the public exhibition, a further report be presented to Council for consideration of any submissions received and a recommendation regarding completion and finalisation of the draft South Werri Reserve Plan of Management.

Background

Council has a South Werri Reserve Plan of Management (PoM) which was adopted on 19 June 2001.

Since its adoption in 2001 the reserve has seen many changes. Council's Local Strategic Planning Statement 2025 includes an action to 'prepare and adopt Plans of Management for Council owned and managed land to ensure public places are managed to create vibrant and inclusive spaces'. The recently constructed Gerringong Surf Life Saving Club building also requires a new site-specific PoM.

As per Section 38 of the Local Government Act 1993, Council is required to place the Draft PoM on public exhibition for and receive public submissions for a period of not less than 42 days.

Land categories

Sections 102-111 of the Local Government (General) Regulations 2021 provide clear guidelines to categorising community land. The land categories proposed within the Community Land Plan of Management for Neighbourhood Parks include Natural Area, Park and General Community Use.

The guidelines are outlined below:

Category	Land category guidelines
Sportsground	Land should be categorised as Sportsground if the land – (a) Is used or proposed to be used primarily for active recreation involving organised sports or the playing of outdoor games.
General Community Use	Land should be categorised as general community use if the land— (a) may be made available for use for any purpose for which community land may be used, whether by the public at large or by specific sections of the public, and (b) is not required to be categorised as a natural area under section 36A, 36B or 36C of the Act and does not satisfy the guidelines under sections 102–105 of this Regulation for categorisation as a natural area, a sportsground, a park or an area of cultural significance.

Initial discussions were undertaken with representatives of the local Indigenous community during the early stages of the project. While written feedback was requested, no formal information was received at that time. Notwithstanding this, during the public exhibition period of the draft Plan of Management (PoM), Council will undertake targeted consultation with the local Indigenous community and the Aboriginal Advisory Committee to seek their input and ensure opportunities for meaningful engagement and feedback.

Draft South Werri Reserve Masterplan

The draft South Werri Reserve Masterplan has been out on public exhibition in mid 2025. The draft South Werri Reserve (PoM) has been updated in response to feedback received through submissions made during the exhibition of the Masterplan. While the PoM remains the primary strategic driver for the site, feedback identified the need to better clarify land use objectives, management principles, permitted uses, and the relationship between the overarching management framework and the more detailed design outcomes illustrated in the Masterplan.

As a result, the draft PoM has been refined to strengthen alignment with statutory requirements, respond to key issues raised by the community, and improve clarity around implementation, governance and future development considerations. In accordance with the requirements of the Local Government Act 1993, following public exhibition, the draft South Werri Reserve PoM **and** the draft Masterplan will be reported back to Council together for proposed adoption, ensuring that community submissions are appropriately considered and consistently reflected across both documents prior to finalisation.

13.5 Quarterly Budget Review (QBR3) and Monthly Financial Statement 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 presents the Draft Quarterly Budget Review Statement for the quarter ending 31 March 2026 to comply with Part 9, Division 3, Clause 203 (1) of the Local Government (General) Regulation 2021. This report details recommended changes to the adopted budget and a revised estimate of income and expenditure for the 2025-26 financial year.

Financial implication

Monitoring of the budget on a quarterly basis enables timely financial management and budget variations to effectively manage the resources available to Council to provide public services and amenities.

Risk implication

Not meeting legislative requirements as set out above can result in interventions from the Office of Local Government and failure to comply with the Performance Improvement Order.

Policy

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.

Restricted Funds Policy

Consultation (internal)

Executive Leadership Team

Management Leadership Team

Management Accounting Finance Team

Communication/Community engagement

N/A

Attachments

Nil

Enclosures

1 Monthly Financial Report - March 2026

2 Quarterly Budget Review March 2026

RECOMMENDATION

That Council receives and adopts the quarterly budget review statement for the quarter ended 31 March 2026, including the recommended changes to operational and capital budgets and updated cash forecast.

Background

This report highlights Council's year-to-date (YTD) March 2026 (Q3) financial results against the adopted budget and presents recommended changes to both the operational and capital budgets and associated internal and external restricted reserves and subsequently Council's unrestricted cash.

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

The current Performance Improvement Order (PIO) specifies that 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.

QBR Overview

For the quarter ending 31 March 2026, Council has reviewed its adopted budget and identified key adjustments necessary to reflect updated information and changing circumstances. These changes ensure the budget remains a reliable projection of Council's expected financial position at year-end.

The review is in line with the updated QBRS framework introduced by the OLG. Discussion of the YTD financial performance of Council and assessment of the key material budget variances used to inform recommended changes in the QBR are contained in the 'Operational Results' section of this report.

QBR3 Impact on adopted budget

Operating result from continuing operations for 2025-26 now forecast a surplus of $1.8M, compared with Council's adopted QBR2 budgeted surplus of $847K. The $962K increase is primarily driven by an increase of $1.0M in capital grants and developer contributions.

Operating Result excluding capital grants, is relatively unchanged and forecast to decline by $81K, moving from a deficit of $4.5M to a deficit of $4.6M.

The attached Capital QBRS for the period ending 31 March 2026 shows a proposed decrease of $2.8M to the capital budget program, reducing the adopted budget from $23.1M to $20.4M. See the 'Capital Program' section of this report for more detail.

The overall forecast year-end 2025–26 unrestricted cash balance reduces from $5.8M at QBR2 to $5.2M. See the 'Cash Flow and Reserves' section of this report for more details.

Table 1. The following table presents a summary of the quarterly budget review movements for QBR3 for the Operational Budget.

Description	Original Budget	QBR 1 Approved Changes	QBR2 Approved Changes	QBR3 Recommended Changes	Projected Year End Result
Income	62,919	2,978	-34	821	66,684
Expenses excluding depreciation	53,712	1,899	251	-140	55,722
Operating Result excluding depreciation	**9,206**	**1,079**	**-285**	**962**	**10,962**
Depreciation	9,153	0	0	0	9,153
Operating result from continuing operations	**53**	**1,079**	**-285**	**962**	**1,809**
Net Operating Result before capital grants	**-2,835**	**-1,513**	**-153**	**-81**	**-4,582**

Material QBR3 changes to income

A net increase of $821K in total income has been recommended at QBR3. The most significant changes relate to:

- $750K Increase in developer contribution income
- $190K Increase in capital grants
- $100K Increase in rental property income
- $180K Decrease in Deferred Management Fees (DMF) for Blue Haven due to a combination of vacant units and higher proportion of existing residents with DMF fully amortised (after 5 years, in accordance with contract terms).

Material QBR3 changes to expenditure

A net reduction of $140K in total expenditure has been recommended at QBR3. The most significant changes relate to:

- $382K reduction in Materials & Services, including:
  - $205K reduction in IT repairs & maintenance
  - $100K reduction in legal costs
  - $91K re-allocation of costs relating to the digitalisation project, which are now included in Employee costs
- $242K Increase in Employee Costs, including
  - $100K from lower vacancy allowance across the organisation (noting that full employment establishment forms the base budget but an allowance for vacancy and recruitment gaps is also included)
  - higher overtime incorporating YTD variance ($134K) over the nine months, primarily in Domestic Waste ($68K), Works Depot ($23K) and Engineering Works ($23K)

Table 2. The following table presents a summary of the quarterly budget review movements for QBR3 for Capital Budget and associated funding**.**

Description	Original Budget	QBR1 Approved Changes	QBR2 Approved Changes	QBR3 Recommended Changes	Projected Year End Result
Rates & other untied funding	6,258	2,040	23	200	8,520
Reserves	12,616	3,026	-1,884	-2,985	11,834
Total Capital Funding	**19,934**	**5,067**	**-1,861**	**-2,785**	**20,354**
Capital Expenditure	18,001	5,067	-1,861	-2,785	18,421
Purchase of Investment Property	1,933	0	0	0	1,933
Total Capital Expenditure	**19,934**	**5,067**	**-1,861**	**-2,785**	**20,354**

The attached QBRS for the period ending 31 March 2026 contains recommended decreases of $2.8M to the capital program.

The associated capital funding sources reflect a $3.0M reduction in funding from restricted funds, partially offset by a $200K increase from unrestricted funds. This brings the total $20.4M capital works program to a split of $11.8M from restricted reserves and $8.5M from unrestricted funds. The capital expenditure will be adjusted and reduced as required.

Capital reclassification

It should be noted that the current adopted capital program contains certain projects that are recorded initially as capital expenditure, however will be reclassified to operational expenditure as part of the end of financial year process, in accordance with external audit practice, and to comply with the relevant accounting standards, primarily AASB 140 – Investment Property and AASB 116 – Property, Plant and Equipment. These projects total $6M and relate to:

- OneCouncil Implementation Projects $3.8M
- Blue Haven Terralong ILU refurbishments $1M
- Blue Haven Terralong Building and Fire Compliance Upgrades $1M
- Blue Haven Terralong Surplus Maintenance Levy Expenditure $250K

With regards to Blue Haven Terralong ILUs, it is expected that the annual revaluation process may result in an increased valuation that will flow through the P&L, offsetting most, if not all of these costs.

Further details on the specific budget changes can be found in the Capital QBRS attached to this report.

QBR3 cash flow and reserves

The Cash and Investments statement in the attached QBRS highlights that Council's original adopted budget projected a significant increase in unrestricted cash, increasing from $923K in FY25 to $10.1M by the end of FY26. This increase was primarily due to expected divestments of Council-owned properties and ILU sales. The unrestricted cash forecast was revised to $5.8M in QBR2, primarily due to revised timing of some of those property sales.

As at QBR 3, Unrestricted cash is now forecast to reduce from $5.8M (as per QBR 2) to $5.0M, a reduction of $0.9M. Total Cash, Cash Equivalents & Investments are projected to be $42.4M at year end, increasing by $3.8M compared to QBR 2 and decreasing by $2.4M against the original budget.

This reduction in unrestricted cash reflects changes in operational results and the capital budget, along with revised net deposits expected from Blue Haven Terralong ILU's ($200K).

The updated forecast in Blue Haven Terralong ILU bond deposits shows a decrease from $10.5M at QBR2, to $10.3M at QBR3. The net positive deposits are expected as vacant units are being refurbished and sold. Please note, bond deposits are not a P&L revenue item and do not appear in the QBRS statement as a budget change, but as these items are on the balance sheet, the cashflow is recorded in the Total Cash, Cash Equivalents & Investments line in the 'Cash and Investments Budget Review Statement'.

Extraordinary transfers from Internally Restricted Funds

Throughout 2024-25 and 2025-26, Council has endorsed several transfers of internally restricted funds to unrestricted cash to support ongoing operations, pending the completion of planned property divestments. As at 31 March 2026, the total value of these transfers is $7.3M. Please see Council's monthly 'Statement of Investments' report for further details.

YTD operational results to March 2026

As at 31 March 2026, consolidated operating results from continuing operations of $8.0M compares to budget of $8.4M, with an unfavourable variance of $0.4M. When considering the exclusion of capital grants and contributions, the operating result shows an unfavourable variance of $1.0M.

Income from continuing operations

Income from recurring operations is on budget (favourable by $42K (0%). This is from higher capital grants and contributions ($657K) and property revenue ($137K), offset by lower interest on investment revenue ($226K), lower Deferred Management Fees (DMF) and recurring fees for Blue Haven ($238K), lower revenue from Leisure Centre ($91K), Pavillion ($60K), Holiday Parks ($60K) and Compliance notices ($61K).

Expenses from continuing operations excluding depreciation

Expenses from continuing operations show an unfavourable variance of $478K (3%), mainly due to higher employee costs ($614K), partially offset by underspending in materials and contracts ($94K).

Please refer to Table 3 for a detailed explanation of the material variances.

Table 3. This table provides further explanation of the identified material operational 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	$86K (1%) (U)	$31K F (1%) • Property - $137K F mainly various leases & contracts • Engineering Admin - $46K F from public cemeteries and other public services • Leisure Centre – $91K U, mainly due to lower income from swimming pool • Compliance - $61K U Reduction in income mainly from compliance with notice and orders • Pavillion - $60K U decreased formal events, weddings, and conference bookings • Others - $60K F, minor variances across multiple cost centres	$60K U (1%) • Revenue slightly lower across all parks.	$57K U (7%) • ILU Maintenance Levy revenue lower due to multiple vacant units.

Interest & Investment Revenue	$226K (16%) (U)	$226K U (16%) • Lower than expected investment balances more than offsetting increasing interest rates.	N/A	N/A
Capital Grants and Contributions	$657K (27%) (F)	$657K F (27%) • Additional developer contributions - $750K F. • Others - $93K U, minor variances of multiple capital grants.	N/A	N/A
Other revenue	$150K (5%) (U)	$31K F (2%) • Visitor Information Centre income - $71K F higher sales income from peak season patronage • Parking Fines - $55K U due to timing of NSW Revenue processing fines	<$1K U (<1%) • On track	$181K U (11%) • Lower DMF due to a combination of vacant units and DMF fully amortised for existing residents after 5 years in accordance with contract terms
Employee Benefits	$614K (3%) (U)	$587K U (3%) • Vacancy rate $308K U – Less vacancy than forecast • Overtime $124K U – Mainly in Domestic Waste ($68K), Works Depot ($23K), Engineering Works ($23K) • Casuals $142K U – Timing on Leisure centre peak season, Lifeguards $30K; Records undertaking digitisation project $43K (offset in wages) • Allowances $29K U • Capitalised wages $35K U • Training $136K F	$8K F (2%) • On track	$36K U (17%) • Overtime $22K U – relating to emergency maintenance and callouts
Materials and Contracts	$94K (1%) (F)	$79K F (1%) • On track	$154K F (3%) • Mainly due to underspends in maintenance costs due to timing ($105K F) • Marketing underspends ($55K F)	$138K U (38%) • Essential maintenance and repairs expenditure overspend ($118K U) • Other minor variances ($20K U)

Table 4. This table categorises the year-to-date budget variances classifying the cash impact under restricted cash, unrestricted cash, or non-cash.

Total variance per Consolidated Income Statement (Continuing Operations)	$346K (U)	
Unrestricted Fund Variance	**$1.4M (U)**	**Net impact on unrestricted cash position, including:** - $226K U - Interest & Investment Revenue - $169K U - Other revenue - $784K U - Employee Benefits - $185K U - Other immaterial variances
Restricted Fund Variance	**$926K (F)**	**Net impact on restricted cash position, including:** - $97K U User charges and fees (Domestic Waste and Crown Land Reserves) - $657K F Capital grants (Unspent Grant Reserve and Developer Contribution Reserve) - $169K F Employee Benefits (Domestic Waste, Crown Land and Plant Reserves) - $197K F – Other immaterial variances
Non-Cash Variance	**$92K (F)**	**Net impact - No impact on cash position** - $90K F – Depreciation - $2K F – Cost of assets sold for Plant & Equipment

YTD cash flow

As at 31 March 2026, Council's YTD Cash, Cash Equivalents and Investments has increased by $3.1M, driven by a combination of business-as-usual operations, $4.2M from property divestments and $4.2M from Blue Haven net bond deposit movements, along with $8.6M spend on the capital program. The opening cash balance of $38.4M has increased to $41.5M.

Of the total YTD movements, $169K relates to restricted reserves (Internal and external) and $2.9M to unrestricted cash. This has resulted in a positive unrestricted cash balance of $3.8M as at March 2026. Unrestricted cash is projected to reach a positive $5.0M by year-end based on QBR 3 adjustments noted earlier in this report.