

14 REPORT OF THE DIRECTOR CORPORATE AND COMMERCIAL**14.1 2025-26 Annual Financial Statements**

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

To advise Council that the preparation of the Annual Financial Statements for the year ended 30 June 2026 have been completed, were considered by Council's Audit, Risk and Improvement Committee, and are presented to Council for authorising and signing the Statement by Councillors and Management.

Financial implication

There are no financial implications because of this report, as this report is simply endorsing the 2025-26 Financial Statements and authorising the Statement by Councillors and Management to be signed.

Risk implication

Not applicable.

Policy

Section 413(1) of the Local Government Act, 1993 requires that "a Council must prepare financial reports for each year and must refer them for audit as soon as practicable". Council must also prepare a Statement by Councillors and Management as to their opinion on the general purpose and the special purpose financial statements.

The 2025-26 Annual Financial Statements have been prepared in accordance with:

- Local Government Act 1993 (NSW)
- Local Government (General) Regulation 2021 (NSW)
- Local Government Code of Accounting Practice and Financial Reporting

Consultation (internal)

Audit Risk and Improvement Committee

Chief Executive Officer

Director Corporate & Commercial

Chief Financial Officer

Senior Financial Accountant

Communication/Community engagement

Section 420(1) of the Local Government Act 1993 allows any person to make submissions to Council with respect to Council's audited financial statements or with respect to the auditor's reports.

Attachments

Nil

Enclosures

- 1 2025/26 Draft Financial Statements - GPFS SPFS SS - After ARIC Meeting [↗](#)

RECOMMENDATION

That Council:

1. Authorises the Statement by Councillors and Management to be signed by the Chief Executive Officer, the Responsible Accounting Officer, the Mayor and a Councillor as required by the Local Government Act 1993.
2. Notes the financial result and position for the year ending 30 June 2026.
3. Formally thanks the governance role played by Council's Audit, Risk and Improvement Committee in overseeing the preparation and finalisation of the audited 2025-26 financial statements and sincerely thanks the outgoing Chair (Mr Dave Pendleton) and all members (outgoing member Ms Rhonda Wheatley and remaining member Ms Lisa Berwick) for their years of commitment and expertise in respect to the audited position of Council.
4. Acknowledges the collegiate and professional working relationship that is maintained with the Audit Office of New South Wales and its staff guided by Director – Financial Audit Mr Michael Kharzoo.

Background

This report is to advise Council that the 2025-26 Annual Financial Statements have been completed and endorsed by Council's Audit, Risk and Improvement Committee at its meeting held on 13 October 2026. A copy of the financial statements is attached to this report.

Council's Financial Statements for the year ended 30 June 2026 have been prepared and informally referred for audit.

The audit of the draft Financial Statements has been reviewed and discussed with the Audit Office of NSW and all material adjustments recommended by the audit team are reflected in the current draft.

In accordance with Section 413 of the Local Government Act 1993, Council must now formally refer these statements for audit. Prior to the completion of the audit, Council is required to give its opinion on the Financial Statements. As part of this process, Council is required to present a signed statement on its opinion on the reports.

The statements required to be signed are contained on page 3 of the General Purpose Financial Statements and page 3 of the Special Purpose Financial Statements and

must be signed by the Mayor, a Councillor, the Chief Executive Officer and the Responsible Accounting Officer. It is reasonably standard practice that the Deputy Mayor sign the financial statements as the accompanying Councillor in addition to the Mayor.

Overview of 2025-26 Financial Statements

The draft 2025-26 Financial Statements (General Purpose and Special Purpose) have been reviewed by the auditors, all material changes noted during the audit have been discussed with Council's Chief Executive Officer and Chief Financial Officer and have been incorporated. The review by the auditors is based not only on appropriate compliance with accounting standards but also an understanding and review of underlying systems and processes regarding financial management, documentation and internal controls within Council broadly and specifically within the Finance team.

The Audit Office have indicated that an unmodified audit opinion will again be issued for the 2025-26 Financial Statements.

The attached financial statements present fairly the Council's operating result and financial position for the year; in accordance with Council's accounting and other records and have been prepared in accordance with:

- the Local Government Act 1993 and its regulations,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board,
- the Local Government Code of Accounting Practice and Financial Reporting.

General comment

Significant attention has been given to the systems and processes within the Finance Team and across Council to improve financial reporting. The ensuing Financial Statements have reflected the improvement and the 2026 Financial Statements with the unmodified audit opinion confirm the improvement.

Financial performance summary

Council's net operating result indicates a loss of \$2.4M.

Income Statement is presented below:

\$'000	2026	2025	Movement: fav/(unfav)	%
Rates and annual charges	30,332	28,741	1,591	5%
User charges and fees	19,144	19,567	(423)	-2%
Other revenues	3,902	4,329	(427)	-11%
Grants and contributions provided for operating purposes	4,916	3,454	1,462	30%
Grants and contributions provided for capital purposes	6,952	15,517	(8,565)	-123%
Interest and investment income	1,726	2,382	(656)	-38%

\$'000	2026	2025	Movement: fav/(unfav)	%
Other income	39	92	(53)	-136%
Net gain on disposal of assets	453	-	453	100%
Total income	67,464	74,082	(6,618)	-10%
Employee benefits and on-costs	30,581	30,853	(272)	-1%
Materials and services	27,910	30,044	(2,134)	-8%
Borrowing costs	420	177	243	58%
Other expenses	1,594	1,135	459	29%
Net loss from the disposal of assets	-	1,063	(1,063)	-%
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	60,505	63,272	(2,767)	-5%
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	6,959	10,810	(3,851)	-55%
Depreciation	9,347	11,557	(2,210)	-24%
Operating result from continuing operations	(2,388)	(747)	(1,641)	69%
Operating result from discontinued operations	-	(6,643)	(6,643)	-%
Net operating result	(2,388)	(7,390)	5,002	-209%
Net operating result before capital grants and contributions	(9,340)	(22,907)	13,567	-145%

As at 30 June 2026 Council's unrestricted cash balance is \$5.0M.

Please refer to the attached *2025-26 Annual Financial Statements* for further details.

Audit, Risk and Improvement Committee

The Audit, Risk and Improvement Committee (ARIC) reviewed and endorsed the draft Financial Statements on 13 October 2026. Michael Kharzoo, Director – Financial Audit of the Audit Office NSW attended the meeting and provided updates on the progress of the audit to the ARIC members.

14.2 Monthly Financial Report - August 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.

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Summary

The Monthly Financial Report for YTD 31 August 2026 includes both consolidated and individual Income Statements for Council on a consolidated basis and some of its various business activities, along with summary program and service-level operating result information. 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.

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.

Policy

Local Government Act 1993.

Local Government (General) Regulation 2021.

Consultation (internal)

Chief Executive Officer.

Director Corporate and Commercial.

Budgeting and Analysis Team.

Communication/Community engagement

N/A

Attachments

Nil

Enclosures

- 1 Monthly Financial Statements - August 2026 [⇒](#)

RECOMMENDATION

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

Executive summary

The current Performance Improvement Order (PIO) received on 30 June 2026 specifies Council must demonstrate sustainable financial performance for the 2027-28 financial year, including a net surplus operating position before capital grants, and maintaining positive unrestricted cash balances. This report tracks progress on these key financial measures for 2026-27.

Progress against key financial metrics

Item (\$'000)	YTD			Full Year		
	Actual	Budget	Variance	Original Budget	Adopted Budget	Variance
Net Operating Result before Capital Grants	(122)	(264)	142	(3,849)	(3,815)	(34)
Unrestricted Cash Balance	2,303	TBD	TBD	9,966*	8,417*	(1,549)

* The figures are subject to change based on the final unrestricted cash balance reflected in the draft 2025-26 financial statements.

As at 31 August 2026, Council's YTD operating deficit of \$122K from continuing operations before capital grants is \$142K favourable to budget. Council's YTD unrestricted cash position is \$2.3M. The first rates instalment received in August is the primary driver for the increase in unrestricted cash, which improved by \$2.1M from \$187K at the end of the previous month.

Operating results

As at 31 August 2026, Council's YTD operating deficit of \$122K before capital grants is \$142K (54%) favourable to budget. When income from capital grants is included, the net operating result of \$1.2M is favourable by \$38K (3%).

Item (\$'000)	YTD			Full Year		
	Actual	Budget	Variance	Original Budget	Adopted Budget	Variance
Operating Revenue	10,617	10,632	(15)	69,835	69,847	11
Operating Expenditure	9,458	9,511	53	66,375	66,352	(23)

Item (\$'000)	YTD			Full Year		
	Actual	Budget	Variance	Original Budget	Adopted Budget	Variance
<i>Employee Benefits</i>	4,492	4,445	(47)	29,139	29,139	0
<i>Materials & Contracts</i>	3,246	3,493	247	26,300	26,277	(23)
<i>Other (Borrowing costs & Other Expenses)</i>	182	35	(147)	1,708	1,708	0
<i>Depreciation & Amortisation</i>	1,538	1,538	0	9,228	9,228	0
Operating results	1,159	1,121	38	3,460	3,494	34
<i>Capital Grants (inc. in operating revenue above)</i>	1,281	1,385	(104)	7,309	7,309	0
Operating results before Capital Grants	(112)	(264)	(142)	(3,849)	(3,815)	34

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Key material variances

Category	YTD vs adopted budget		Original v adopted budget – full year change	
User charges and fees	\$21K 1% (F)	- Higher income from engineering assessment and approvals fees \$54K F, due to increased developments in Kiama LGA - Blue Haven ILU maintenance levy \$23K U, due to vacant units undergoing refurbishment & fire compliance works - Leisure Centre income \$34K U, due to lower income from pool and kiosk - Other minor variances \$24K F	N/A	N/A
Other Revenue	\$136K 17% (U)	Blue Haven ILU DMF \$136K U due to vacant units undergoing refurbishment and fire compliance works	\$11K (F)	Acceptance of donation from the Friends of Kiama Library for shelving at the library (26/209OC)

Report of the Director Corporate and Commercial

14.2 Monthly Financial Report - August 2026 (cont.)

Category	YTD vs adopted budget		Original v adopted budget – full year change	
Borrowing Costs	\$156K 794% (U)	Blue Haven \$145K U – ILU resident share in capital gain on unit sale (under legacy agreement no longer offered)	N/A	N/A
Materials and Contracts	\$247K 7% (F)	- Favourable timing variances across council business units relating to: - Legal and consultant costs \$78K F - Utilities \$77K F - Subscriptions & Licenses \$54K F - Other minor variances totalling \$38K F, all immaterial at individual level.	\$24K (F)	- Carry forward of expenditure budget relating to committed expenses from FY26. - Reduction in Council's competitive grant program budget per Council Resolution (26/212OC) \$50K

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Risks & Opportunities

Emerging financial risks and opportunities to the budget to be considered at a future QBR.

Description	Amount (\$'000)	Status
Nil		
Total surplus/(deficit)		

*Material risks and opportunities of \$250K+ individually or in aggregate.

Unrestricted cash

During the month of August, Council's overall cash balance increased by \$709K from \$39.2M to \$39.9M, with unrestricted cash increasing by \$2.1M and net reserves reducing by \$1.4M. In addition, the following significant events affected cash balances:

- Rates Revenue \$7.2M.
- Grant revenue received \$437K, offset by related project costs of \$1M.
- Capital works of \$357K.
- Plant purchases of \$229K.
- Net ILU refunds of \$769K.

Based on the adopted budget, unrestricted cash is expected to rise to \$8.4M by year end. Refer to Investment Report – August 2026 for further detail.

Cash Balances (\$'000)	Actual			Full Year		
	30/06/26	31/08/26	YTD Change	Original Budget	Adopted Budget	Variance
Total Cash, Cash Equivalents and Investments	43,106	39,903	(3,203)	51,064	46,580	(4,484)
Net Reserves (internal and external)	37,942	37,600	342	46,195	43,943	(2,252)
Unrestricted Cash	5,164	2,303	(2,861)	9,966*	8,417*	(1,549)

* The figures are subject to change based on the final unrestricted cash balance reflected in the draft 2025–26 financial statements.

Key Performance Ratios as at August 2026

Operating Sustainability

Ratio	YTD Actual	Benchmark (Regional Towns/Cities)	Status
Operating Performance Ratio	-1%	> 0.0%	●
Operating Performance Ratio (Excl. Depreciation) *	15%	> 20.0%	●
Own Source Revenue Ratio	83%	> 60.0%	●

Liquidity

Ratio	YTD Actual	Benchmark (Regional Towns/Cities)	Status
Unrestricted Current Ratio	3.6	> 1.5x	●
Unrestricted Cash Expense Cover Ratio	0.7	> 3.0 months	●

Leverage

Ratio	YTD Actual	Benchmark (Regional Towns/Cities)	Status
Debt Service Cover Ratio	9.6	> 2.0x	●

Developer Contributions

Ratio	YTD Actual	Benchmark (Regional Towns/Cities)	Status
Contributions Expenditure Performance Ratio	0%	≥ 20.0%	●

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Appendix 1: Progress on Level 1 and Level 2 Initiatives**Level 1 – Budget Control Improvements**

Adopted Savings Initiative	Progress Status	Target Savings	Comments
Increase Terralong DMF Income due to new higher prices for future residents	Implemented	720,000	Implemented - however, realisation of this item will depend on filling vacant units
Procurement efficiencies	In Progress	660,000	Procurement team undertaking analysis to identify opportunities for supplier consolidation
Blue Haven Terralong Materials & Contracts reduction from original submission	Implemented	500,000	Implemented - lower budgets in place
Review IT subscriptions to eliminate non-essential software; re-phase programs	Implemented	300,000	Implemented - lower budgets in place – reviewing subscriptions
Legal cost reduction reflecting improvement in governance and controls	Implemented	225,000	Implemented - lower budgets in place
Additional Interest Revenue relating to Property Divestment	Implemented	210,000	Implemented - budget includes \$4.1m property sales, which generates \$210k interest, noting sale is expected in November
Gain/losses on revaluation of investment property	Implemented	135,035	Implemented - assumes 2.29% increase in land value for \$6M property Shoalhaven St – EOFY process
Introduce annual cap on leaseback of Council light vehicle fleet, transition to novated leases (grandparenting provisions per Award)	Not Commenced	62,500	Grandparenting provisions, benefit re-calculated over two years
Increase Terralong recurrent fees (Maintenance Levy) due to higher occupancy and increased fee for new residents	Implemented	102,500	Implemented - new fees published (but will also require filling vacant units)

Report of the Director Corporate and Commercial

14.2 Monthly Financial Report - August 2026 (cont.)

Adopted Savings Initiative	Progress Status	Target Savings	Comments
Conduct more service reviews internally to reduce consultant costs	Implemented	100,000	Implemented - Rather than doing internally, planning to do 2 external reviews FY27; internal resources for recommendations
Align training & developments budget in line with FY25 actuals	Implemented	88,992	Implemented - FY27 budget aligned to FY26 actuals
Rationalise consulting budget	Implemented	45,000	Implemented reduction in budget
Additional rates revenue from Housing Growth strategy	In Progress	33,187	Additional net rates revenue expected from Infill properties in FY27. Data being sourced
Reduce budget for uninsured property loss - small claims	Implemented	30,000	Implemented - budget reduced for this item
Banking tender review - investigate offerings of other banks to reduce merchant fees	Not Commenced	30,000	Initiative to commence post-completion of financial year end activity
Increase motor vehicle leaseback contributions	Implemented	24,000	Implemented
Increase financial services fee to ISJO	In Progress	20,000	KMC has met with ISJO. \$5K Base increase confirmed with quarterly review to incorporate additional activities above base.
Reductions in Councillor training budget in line with KMC reductions for staff (other than for Australian Local Government Association and Local Government NSW Association Conferences)	Implemented	15,000	Includes additional \$10K versus 07/04 (more accurate calculation of the savings)
Pay out TCorp loan early (currently in restricted reserve)	In Progress	8,000	Liaising with TCorp, with indications that early repayment would be possible – to assess opportunity cost
TCorp Interest	In Progress	(275,000)	Budget assumes full year interest on \$5M loan at 5.5%. Loan application submitted.

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Report of the Director Corporate and Commercial

14.2 Monthly Financial Report - August 2026 (cont.)

Adopted Savings Initiative	Progress Status	Target Savings	Comments
			Some savings will occur due to later drawdown
Rates (updated parameters)	Implemented	(185,700)	Implemented
Council bi-election costs	Implemented	(250,000)	Budget includes \$250K; risk from additional election cost.
Total – Level 1		2,598,515	

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Level 2 – Discretionary Services

Adopted Savings Initiative	Progress Status	Target Savings	Comments
Higher Holiday Park rates over & above CPI net of Commission	Implemented	154,387	Implemented - Updated fees & charges already included
Exit Commercial Waste - implement Service Review (net of internal costs)	Implemented	148,000	Implemented - exited out of Commercial services. Savings expected from lower O/T and external services
Cost recovery of Sports field maintenance	Implemented	67,500	KDSA have agreed cost
Cease KDSA donations - Property	Implemented	60,000	Donation ceased
Leisure Centre - Fees and Charges effective 5% increase to reflect costs	Implemented	58,967	Implemented - Updated fees & charges already included
Cemetery Income Increase	Implemented	51,000	
Peer review of Blue Haven Terralong Condition Report	In progress	(40,000)	Included in budget. Peer review being scoped
Total – Level 2		499,854	

Appendix 2: Consolidated P&L

Consolidated Income Statement for the Period Ending 31 August 2026	Year to Date				Full Year		
As of 14th September 2026	Actual	Adopted Budget	-- Variance --		Last Year Actual	Original Budget	Adopted Budget
	26-27	26-27	26-27		25-26	26-27	26-27
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000
Income							
Rates, Levies & Annual Charges	5,233	5,187	46	1%	30,332	31,287	31,287
User charges and fees	2,575	2,554	21	1%	19,144	19,729	19,729
Interest & Investment Revenue	339	297	42	14%	1,726	1,780	1,780
Other Revenue	646	782	(136)	-17%	4,148	4,774	4,786
Operating Grants and Contributions	543	427	116	27%	4,916	4,727	4,727
Capital Grants and Contributions	1,281	1,385	(104)	-8%	6,952	7,309	7,309
Other Income	-	-	-	0%	39	135	135
Net Gain / (Loss) from disposal of assets	-	-	-	0%	452	93	93
Total Income from continuing operations	10,617	10,632	(15)	0%	67,709	69,835	69,847
Expenses							
Employee Benefits	4,492	4,445	(47)	-1%	30,173	29,139	29,139
Borrowing Costs	176	20	(156)	-794%	247	667	667
Materials & Contracts	3,246	3,493	247	7%	26,286	26,300	26,277
Other Expenses	7	16	9	58%	1,594	1,040	1,040
Project costs re-classified to Operating					2,032		
Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	7,920	7,973	53	1%	60,332	57,147	57,124
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	2,697	2,659	38	1%	7,377	12,688	12,723
Depreciation & Amortisation	1,538	1,538	-	0%	9,347	9,228	9,228
Operating result from continuing operations	1,159	1,121	38	3%	(1,970)	3,460	3,494
Net Operating result before grants and contributions provided for capital purposes	(122)	(264)	142	54%	(8,923)	(3,849)	(3,815)

Item 14.2

Item 14.2

14.3 Statement of Investments - September 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.

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Summary

This report provides an overview of Council's cash and investment portfolio and investment performance as at 30 September 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

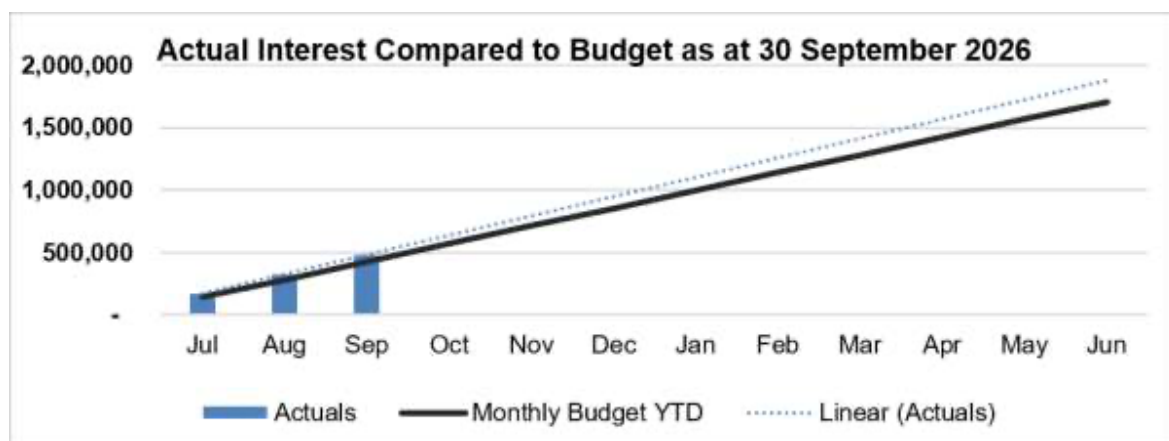
That Council receives the information relating to the Statement of Investments as at 30 September 2026.

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 September, excluding cash, the total portfolio provided a return of +0.42% (actual) or +5.25% p.a. (annualised), outperforming the benchmark AusBond Bank Bill Index return of +0.36% (actual) or +4.41% p.a. (annualised). All time periods are now comfortably above benchmark returns.



Council's portfolio has begun the 2026-27 financial year by outperforming interest benchmarks, with overall interest income performance exceeding the adopted 2026-27 Budget.

Portfolio compliance

As at month-end, all individual counterparties were within policy limits. Council will consider further diversification with new banks if they are competitive at the time of investment and within policy limits.

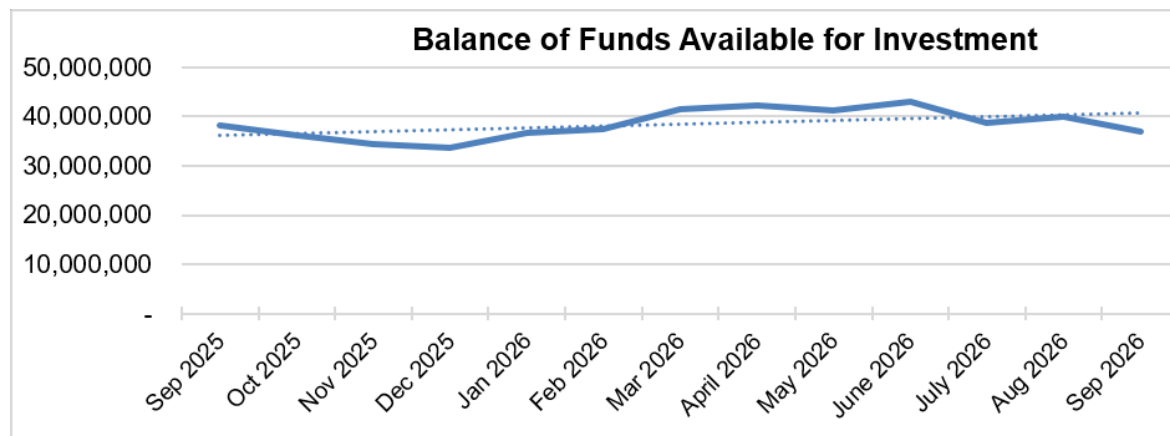
Report of the Director Corporate and Commercial

14.3 Statement of Investments - September 2026 (cont)

Compliant	Issuer	Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	Westpac	AA-	\$3,471,622	9.52%	40%	\$11,117,027
✓	NAB	AA-	\$8,000,000	21.93%	40%	\$6,588,649
✓	ING	A	\$8,000,000	21.93%	30%	\$2,941,487
✓	Bendigo and Adelaide	A-	\$1,000,000	2.74%	30%	\$9,941,487
✓	BOQ	A-	\$4,000,000	10.97%	30%	\$6,941,487
✓	Heritage Bank	BBB+	\$2,000,000	5.48%	15%	\$3,470,743
✓	Hume Bank	BBB+	\$1,000,000	2.74%	15%	\$4,470,743
✓	P&N Bank	BBB+	\$5,000,000	13.71%	15%	\$470,743
✓	State Bank of India	BBB	\$4,000,000	10.97%	15%	\$1,470,743
			\$36,471,622	100.00%		

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Movement in investments



Trades matured in September:

Issuer	Rating	Type	Interest	Purchase	Maturity	Rate %	Value
NAB	AA-	TD	At Maturity	11/03/2026	09/09/2026	5.06	1,000,000
Total							1,000,000

No new trades were entered into during September.

Report of the Director Corporate and Commercial

14.3 Statement of Investments - September 2026 (cont)

Portfolio summary:

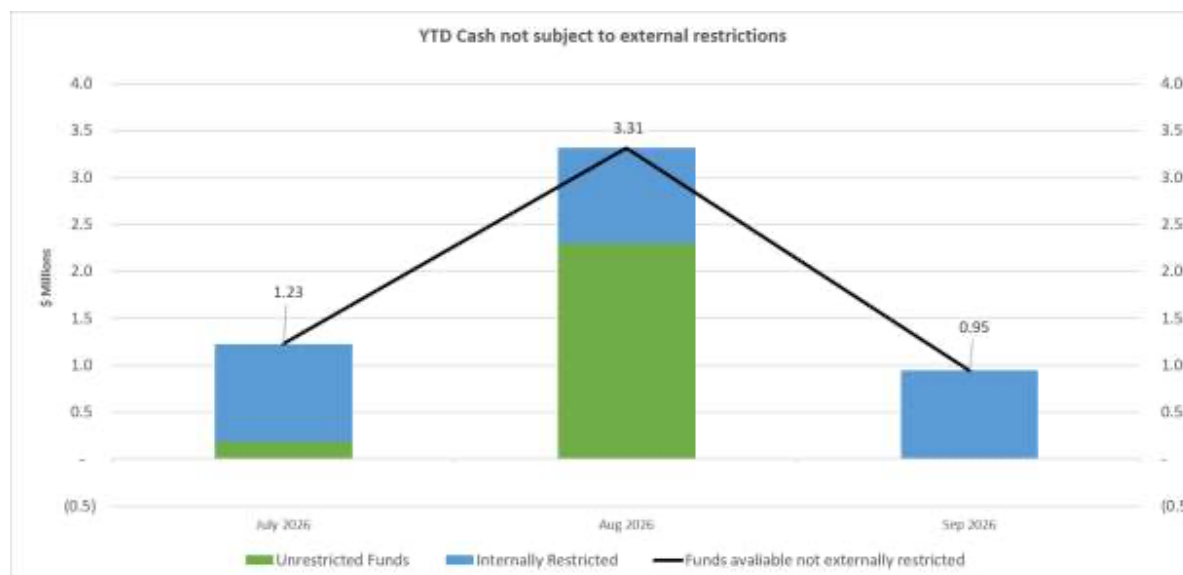
Issuer	Rating	Type	Interest	Purchase	Maturity	Rate %	Value
BOQ	A-	TD	Annual	08/04/2026	07/10/2026	5.34	1,000,000
BOQ	A-	TD	At Maturity	08/04/2026	07/10/2026	5.34	2,000,000
NAB	AA-	TD	Annual	14/01/2026	14/10/2026	4.50	1,000,000
P&N Bank	BBB+	TD	Annual	08/04/2026	21/10/2026	5.38	1,000,000
NAB	AA-	TD	Annual	04/09/2025	04/11/2026	4.11	1,000,000
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
NAB	AA-	TD	Annual	24/06/2026	09/12/2026	5.24	2,000,000
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
NAB	AA-	TD	Annual	27/05/2026	12/05/2027	5.35	1,000,000
Heritage and Peoples Choice Limited	BBB+	TD	At Maturity	08/07/2026	12/05/2027	5.35	2,000,000
State Bank of India, Sydney Branch	BBB	TD	At Maturity	28/05/2025	28/05/2027	4.25	1,000,000
P&N Bank	BBB+	TD	At Maturity	04/06/2026	09/06/2027	5.45	1,000,000
State Bank of India, Sydney Branch	BBB	TD	At Maturity	30/06/2026	23/06/2027	5.60	1,000,000
P&N Bank	BBB+	TD	Annual	10/06/2026	23/06/2027	5.40	1,000,000
Hume Bank	BBB+	TD	Annual	06/08/2025	04/08/2027	3.95	1,000,000
NAB	AA-	TD	Annual	27/05/2026	24/05/2028	5.35	1,000,000
Westpac	AA-	CASH	Monthly	30/09/2026	30/09/2026	4.39	3,471,622
Total							
36,471,622							

Item 14.3

Restricted Funds movements

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

Cash and Investments Held	31/08/2026	Movement	30/09/2026
Cash at Bank - Transactional Account	5,490,848	(2,019,226)	3,471,622
Other Cash and Investments	34,000,000	(1,000,000)	33,000,000
Total Portfolio Balance (Per Arlo Advisory report)	39,490,848	(3,019,226)	36,471,622
Cash on Hand	5,500	(200)	5,300
Civic Risk Mutual Holdings Interest	465,000	39,000	504,000
Unpresented cheques & other items	406,986	(436,627)	(29,642)
Book Value of Cash and Investments	40,368,334	(3,417,054)	36,951,280
Civic Risk Mutual Holdings Interest	465,000	39,000	504,000
Unspent Loan Funding	400,000	-	400,000
Unexpended Grants	3,793,629	(57,275)	3,736,354
Developer Contributions (Unexpended)	15,838,215	181,353	16,019,568
Stormwater Levy	728,588	83,574	812,162
Security bonds, Deposits & Retentions	2,519,574	(4,972)	2,514,602
Crown Reserve	2,804,148	(1,482,438)	1,321,710
Domestic Waste Management	8,680,809	192,881	8,873,690
Blue Haven Terralong ILU Maintenance Levy	1,788,824	-	1,788,824
Roads Reserve	35,200	-	35,200
External Restrictions	36,588,987	(1,086,877)	35,502,110
Employee Leave Liabilities	1,440,502	-	1,440,502
Land Development	-	-	-
Temporary Funding of Disaster Recovery Funding Agreement Works	(998,420)	-	(998,420)
Blue Haven Terralong ILU Prudential Cover	500,000	-	500,000
Plant Replacement	-	-	-
Risk Improvement Incentive	69,208	(69,208)	-
Terralong ILU Capital Works	-	-	-
Internal Restrictions	1,011,289	(69,208)	942,082
Unrestricted Cash	2,303,058	(2,299,969)	3,088
Cash not subject to external restrictions	3,314,347	(2,369,176)	945,170

Unrestricted funds

During the month of September Council's overall cash balance decreased by \$3.5M from \$40.4M (including Civic Risk Mutual Holding Interest) to \$36.9M.

In addition, the following significant events affected cash balances:

- 5 supplier payment runs
- 5 payroll payments
- Annual subscriptions \$2.2M
- Grant revenue received \$470K
- Capital works of \$876K
- Net ILU payments of \$138K

As a result, Council's unrestricted cash decreased overall by \$2.5M during September to \$4K. Cash not subject to internal restrictions is now \$945K. The unrestricted position was assisted through Council's corporate re-charge to its business operations for the remainder of FY27 being processed in advance in September 2026, in the same manner as was done in FY26.

Council's cash forecast for 2026-27 shows that cash flow management will continue to remain critical. Council has adopted a deficit budget, so Council will need to draw from internal reserves either permanently or temporarily, 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 unrestricted funds become available. This will be reviewed during 2026/27 with a coinciding review of all restricted reserves.

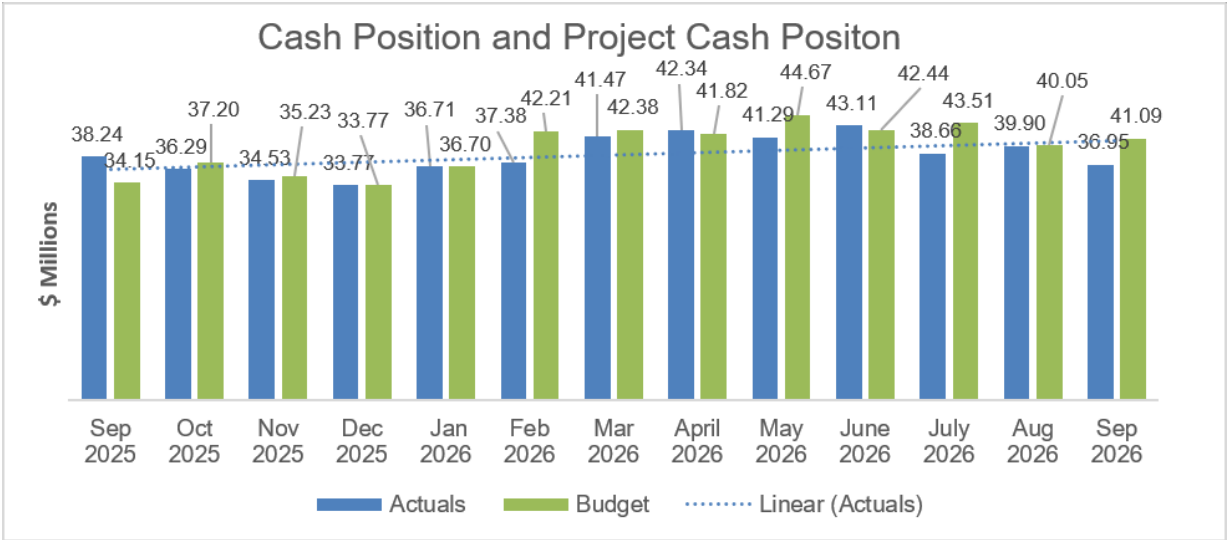
Reference	Date effective	Reserve	Amount	Reason
24/316OC	30/11/2024	Waste Business Unit Reserve	-1,420,704	Insufficient unrestricted cash balance – to be repaid when funds available
25/144OC	30/04/2025	Land Development	-476,308	Insufficient unrestricted cash balance – to be repaid when funds available
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 more unrestricted funds become available. Any possible transfer to the above reserves is not recommended at this stage. A review will be undertaken in FY27 to determine appropriate balance targets for each internal reserve and a report presented to Council. This information is a requirement of the varied performance improvement order and will be actioned as a priority.

Consolidated cash position and cash flow forecast

The below graph depicts the historical cash balances for a period of 12 months including September 2026, comparing to budget.

Note: The monthly profiling for the FY27 budget is in the process of being finalised.



Item 14.3

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
12/10/2026

14.4 Coastal Land Protection Scheme: Proposed transfer of coastal land to Council

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.

Item 14.4

Summary

The purpose of this report is to advise Council that the Department of Planning, Housing and Infrastructure (DPHI) has approached Kiama Council regarding the potential transfer of ownership of two parcels of coastal land acquired under the Coastal Lands Protection Scheme:

Lot 1 DP 589928 – Kiama.

Lot 2 DP 598759 – Bombo.

Financial implication

There is no purchase cost associated with the proposed land transfer; however, acceptance of ownership would result in significant ongoing financial commitments for Council.

Risk implication

If Council was to accept ownership of the lands proposed, several risks would transfer to Council, including:

- Increased maintenance and operational expenditure obligations.
- Environmental management and compliance responsibilities.
- Public liability risks associated with public access and use of the land.
- Potential increases in insurance costs and legal exposure.
- Coastal erosion and natural hazard management risks.
- Future climate change impacts requiring adaptation and mitigation measures.
- Potential environmental degradation requiring remediation works.
- Unfunded long-term maintenance and asset management liabilities.

While these risks may not result in immediate financial impacts, their long-term implications could be significant and may exceed any short-term benefit associated with the transfer.

Policy

Local Government Act, 1993.

Public Land Management Policy.

Report of the Director Corporate and Commercial

14.4 Coastal Land Protection Scheme: Proposed transfer of coastal land to Council (cont.)

Coastal Land Protection Scheme.

Consultation (internal)

Executive Leadership Team.

Communication/Community engagement

There is no requirement to undertake community engagement in relation to this matter.

Attachments

Nil

Enclosures

Nil

RECOMMENDATION

That Council:

1. Delegate authority to the Chief Executive Officer to formally advise the Department of Planning, Housing and Infrastructure that Council declines the transfer of ownership of Lot 1 DP 589928 (Kiama) and Lot 2 DP 598759 (Bombo), on the basis that Council is not in a financial position to assume responsibility for additional land assets that would create ongoing unfunded maintenance, management, environmental, compliance and liability obligations. Noting, no commitment has been provided by the NSW Government for recurrent funding or financial assistance to support the long-term stewardship of these lands, resulting in Council bearing the full cost and risk associated with their ownership and management.
2. Note the request from the Department of Planning, Housing and Infrastructure seeking Council's interest in accepting ownership of Lot 1 DP 589928 – Kiama and Lot 2 DP 598759 – Bombo under the Coastal Lands Protection Scheme.
3. Acknowledge the environmental and community benefits associated with ongoing public ownership of coastal land.
4. Recognise the ongoing financial, maintenance, risk management and asset management obligations that would transfer to Council upon acceptance of ownership.

Background

The Coastal Lands Protection Scheme was established to protect environmentally significant coastal lands, improve coastal resilience, enhance public access and support long-term conservation outcomes.

The Department of Planning, Housing and Infrastructure (DPHI) has, since the 1970s, acquired land under the Coastal Lands Protection Scheme on behalf of the Planning Minister's Corporation. The scheme aims to improve coastal resilience, protect environmentally significant coastal land, enhance public access to coastal areas and support long-term conservation outcomes.

Report of the Director Corporate and Commercial

14.4 Coastal Land Protection Scheme: Proposed transfer of coastal land to Council (cont.)

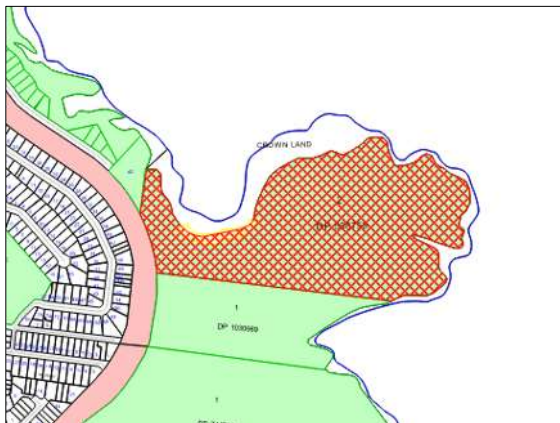
DPHI is currently reviewing a number of properties acquired under the scheme and is seeking suitable long-term land managers for these assets. As part of this process, Kiama Council has been invited to consider accepting ownership of two parcels of land within the Kiama Local Government Area.

The land proposed for transfer consists of:

- Lot 1 DP 589928 – Kiama, located adjacent to the north-eastern boundary of Tasman Holiday Parks and adjoining Marsden Reserve.



- Lot 2 DP 598759 – Bombo, over which Council currently has care and control arrangements similar to those exercised by a Crown Land Manager.



There is no purchase cost associated with the proposed land transfer; however, acceptance of ownership would result in significant ongoing financial commitments for Council. These commitments would include:

- Asset management, inspections and maintenance.
- Vegetation, weed and pest management.
- Environmental protection and rehabilitation works.
- Public liability and insurance costs.
- Coastal erosion monitoring and mitigation.
- Management of public access and safety infrastructure.

Report of the Director Corporate and Commercial

14.4 Coastal Land Protection Scheme: Proposed transfer of coastal land to Council (cont.)

- Future climate change adaptation requirements.

No dedicated funding source or ongoing financial assistance has been identified by DPHI to accompany the transfer of ownership. Consequently, all future operational and capital costs would be borne by Council. At a time when Council is focused on financial sustainability and prioritisation of existing assets and services, accepting responsibility for additional land holdings would place further pressure on Council's operating budgets and resources.

While public ownership of these parcels may provide environmental, community and coastal management benefits, ownership would also transfer all associated maintenance, management, environmental, financial, compliance and legal responsibilities to Council. Council would be required to assume ongoing obligations relating to asset management, environmental stewardship, public safety, regulatory compliance and risk management for the life of the asset.

Although the proposal is generally consistent with Council's broader environmental and coastal management objectives, acceptance of the land would increase Council's asset portfolio and create ongoing operational and financial commitments without a corresponding funding source. The NSW Government has not indicated that any financial assistance, recurrent funding or maintenance contributions would be provided to support the transfer, meaning all future management, maintenance, renewal and risk-related costs would be borne entirely by Council.

Following assessment, it is considered that Council is not currently in a financial position to accept ownership of additional land assets that would generate ongoing unfunded liabilities and operational obligations. Given Council's current financial constraints and the absence of State Government funding to support the long-term stewardship of the land, it is considered prudent that Council decline the offer of transfer at this time.

Item 14.4

14.5 Dissolution of Funding Agreement with Kiama District Sports Association Incorporated (KDSA)

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.

Item 14.5

Summary

The purpose of this report is to seek Council endorsement to terminate the existing Funding Agreement between Council and the Kiama District Sports Association Incorporated (KDSA) by mutual agreement.

Financial implication

The current Funding Agreement provides for an annual contribution of \$60,000 (excluding GST) to KDSA until 30 June 2027.

Termination of the agreement will remove the requirement for Council to provide the 2026/27 contribution, resulting in a budget saving of \$60,000.

There are no anticipated costs associated with terminating the agreement, provided all obligations under the agreement have been satisfied by both parties.

Risk implication

The risks associated with terminating the agreement are considered low.

The Funding Agreement expressly provides that either party may terminate the agreement by providing 28 days' written notice. As the proposed termination is supported by both Council and KDSA, the likelihood of legal or contractual dispute is minimal.

Policy

Local Government Act 1993

Consultation (internal)

Executive Leadership Team

Manager Property & Commercial

Consultation (external)

Kiama District Sports Association Executive

Communication/Community engagement

There is no requirement for Community Engagement in this matter.

Attachments

Nil

Report of the Director Corporate and Commercial

14.5 Dissolution of Funding Agreement with Kiama District Sports Association Incorporated (KDSA) (cont.)

Enclosures

- 1 Funding Agreement Kiama Municipal Council and Kiama District Sports Association (KDSA) [↗](#)

RECOMMENDATION

That Council:

1. Note that the Kiama District Sports Association Incorporated (KDSA) has agreed to cease receiving the annual funding contribution of \$60,000 from Council as part of its 2026-27 budget considerations.
2. Authorise the dissolution and termination of the Funding Agreement between Council and KDSA by mutual agreement in accordance with the agreement provisions.
3. Delegate authority to the Chief Executive Officer to execute all documentation necessary to formally cease the Funding Agreement.
4. Formally acknowledge and thank KDSA for its ongoing contribution to the sporting community and its positive partnership with Council in supporting local sporting organisations and community outcomes.
5. Note that, subject to Council's future financial capacity and budget considerations, the opportunity to reinstate a funding arrangement with KDSA may be reviewed as part of future budget deliberations and long-term financial planning processes.

Background

Council and the Kiama District Sports Association Incorporated (KDSA) have shared a strong and productive partnership for more than 40 years, working collaboratively to support sport and recreation across the Municipality. Throughout this time, KDSA has undertaken a range of sporting administration and coordination functions on behalf of Council, including sports field bookings, supporting local sporting organisations, assisting with the management and allocation of sporting resources, and contributing to the delivery of community sporting outcomes.

The longstanding relationship between Council and KDSA has delivered significant benefits to local sporting clubs and the broader community, helping to foster participation in sport, improve sporting facilities and strengthen community connections. Council acknowledges and values the substantial contribution that KDSA and its volunteers have made over many decades in supporting the sporting community within the Kiama Local Government Area.

The Funding Agreement (Enclosure 1) was established following Council's resolution of 17 May 2022 and provides for funding of \$60,000 per annum for a five-year period from 1 July 2022 to 30 June 2027. The purpose of the funding was to support KDSA's coordination of sports ground activities and minor sports club improvements across the Municipality.

Report of the Director Corporate and Commercial

14.5 Dissolution of Funding Agreement with Kiama District Sports Association Incorporated (KDSA) (cont.)

As part of its 2026-27 budget considerations, KDSA has formally agreed to cease receiving the annual \$60,000 contribution from Council. Given the funding is no longer required, it is appropriate to formally dissolve the funding agreement in accordance with the agreement provisions, which allow either party to terminate the agreement with 28 days' written notice.

While the current funding agreement is proposed to be dissolved due to Council's present financial circumstances and the mutual agreement reached between the parties, Council remains committed to maintaining a positive and cooperative relationship with KDSA.

Council resolved at its meeting of 17 May 2022 to:

1. *Note the funding allocation of \$30,000 in the 2021/22 budget for KDSA.*
2. *Consider as part of the 2022/23 budget preparation an amount of \$60,000 per annum for a total period of five years to KDSA, funded from Section 7.11 Developer Contributions, for the purpose of supporting their coordination and provision of sports ground activity and minor sports club improvements across the Municipality.*
3. *Delegate authority to the Chief Executive Officer to execute a funding agreement for the period 2022-2027 between Council and KDSA.*
4. *Seek further information from KDSA regarding their preferred contribution amount.*

Following this resolution, Council entered into a formal Funding Agreement with KDSA commencing on 1 July 2022 and ending on 30 June 2027. The agreement provided annual funding of \$60,000 to support sporting clubs through the purchase of essential equipment and minor improvements to sporting facilities throughout the Municipality. KDSA was responsible for assessing funding requests from affiliated sporting organisations and providing regular reporting to Council on the allocation and expenditure of funds.

Since the commencement of the agreement, KDSA has assisted numerous sporting organisations and has played an important role in supporting community sport and recreation outcomes across the Kiama Local Government Area.

Due to Council's current financial circumstances and the need to prioritise limited financial resources, discussions were undertaken with the Kiama District Sports Association Incorporated (KDSA) regarding the ongoing funding arrangement. KDSA subsequently considered the matter at an Extraordinary General Meeting on 13 April 2026 and, while acknowledging the value of the longstanding partnership between Council and KDSA, reluctantly resolved to support Council's current financial position by foregoing the annual Council contribution in the short term.

Following the resolution of its Extraordinary General Meeting, KDSA formally advised Council that it had agreed to cease the funding arrangement from the 2026-27 financial year and would not seek the continuation of Council's annual \$60,000 contribution at this time. As a result, there is no ongoing requirement for the funding agreement to remain in place, and the agreement may be terminated by mutual consent.

Report of the Director Corporate and Commercial

14.5 Dissolution of Funding Agreement with Kiama District Sports Association Incorporated (KDSA) (cont.)

While KDSA reluctantly agreed to forego Council's annual funding contribution in the short term, this decision does not diminish the significance of the longstanding and positive partnership between Council and KDSA. Council acknowledges the valuable role KDSA continues to play in the management, development and advocacy of community sporting facilities across the Municipality, and the substantial contribution it makes to supporting local sporting organisations and participation opportunities.

In recognition of Council's current financial circumstances, KDSA has voluntarily agreed to cease the existing funding arrangement from the 2026-27 financial year. Accordingly, there is no ongoing requirement for the agreement to remain in place and it is proposed that the agreement be terminated by mutual consent. Council remains committed to maintaining a strong working relationship with KDSA and, should Council's financial position improve in the future, opportunities to reinstate financial support may be considered through future budget deliberations and long-term financial planning processes.

The agreement contains a provision that allows either party to terminate the agreement with 28 days' written notice. Accordingly, it is appropriate for Council to formally resolve to terminate the agreement and acknowledge the valuable contribution KDSA has made to the community over the past 40 years.

Item 14.5

14.6 Easement for drainage purposes over part of 4 Colley Drive Kiama.

CSP Objective: Outcome 3.4: Our infrastructure is well planned, well managed, safe and inclusive.

CSP Strategy: 3.4.1 Advocate for better planned transport infrastructure to create safe travel routes whether we are walking, cycling, driving or using public transport to key destinations and facilities.

Delivery Program: 3.4.1.1 Work to improve Council's ability to meet increase in demand for public infrastructure and assets.

Item 14.6

Summary

The purpose of this report is to seek Council's approval for the creation of a drainage easement over part of 4 Colley Drive, Kiama, to facilitate the installation of a new stormwater drainage line.

The owner's corporation, Strata Plan 18219, has agreed to grant the easement without compensation, enabling the project to proceed.

Financial implication

The cost of creating the easement and the subsequent installation of the drainage line will be sourced from Council's drainage reserve allocated budget for 26/27 financial year.

Risk implication

An easement is a standard property land transaction which is of low procedural risk for Council. The creation of the drainage easement will enable Council to address the existing stormwater drainage failure and reduce the risk of localised flooding at the low point of Colley Drive, Kiama.

Policy

Local Government Act 1993.

Local Government (General) Regulation 2021.

Acquisition and Disposal of Land and Easements Policy.

Consultation (internal)

Director Infrastructure and Operations.

Manager Property and Commercial.

Property Coordinator.

Civil Engineer.

Communication/Community engagement

Community engagement in this matter is not required. The easement has been discussed with internal stakeholders of Council and the Owners Corporation of Strata Plan 18219.

Attachments

Report of the Director Corporate and Commercial

14.6 Easement for drainage purposes over part of 4 Colley Drive Kiama. (cont.)

- 1 Easement for drainage 4 Colley Drive Kiama SP18219 - drainage line design [↓](#)

Enclosures

Nil

RECOMMENDATION

That Council:

1. Approve the creation of a 3 metre wide drainage easement over the common property driveway of SP18219 (4 Colley Drive Kiama) in accordance with the plan enclosed with this report, to facilitate the installation and ongoing maintenance of stormwater drainage infrastructure;
2. Authorise the creation of the drainage easement pursuant to Section 88B of the Conveyancing Act 1919;
3. Note that the Owners Corporation of Strata Plan 18219 has agreed to grant the easement without compensation and that Council will meet all costs associated with the creation of the easement;
4. Delegate authority to the Chief Executive Officer and/or Mayor to execute all documents necessary to give effect to this resolution, including the affixing of Council's seal where required.

Background

The stormwater drainage system servicing the Colley Drive area was originally constructed within an existing drainage easement along the southern boundary of 4 Colley Drive, Kiama. During construction of the adjoining residential unit development, the drainage line was damaged and became blocked. The issue did not become apparent until after the development was completed, when kerb inlet pits began surcharging during periods of heavy rainfall, resulting in localised flooding, particularly at the low point of Colley Drive.

Subsequent CCTV inspection of the pipeline confirmed that the line had been broken and was heavily obstructed by large rocks, significantly restricting stormwater flows.

Investigations determined that the existing pipeline cannot be repaired or cleared.

While the damage is believed to have occurred during the adjacent development works, it has not been possible to establish responsibility, as sufficient evidence is not available.

To address the issue, Council has designed a new stormwater drainage line to bypass the damaged section. The preferred alignment is located within the driveway of 4 Colley Drive, requiring the creation of a new drainage easement in favour of Council.

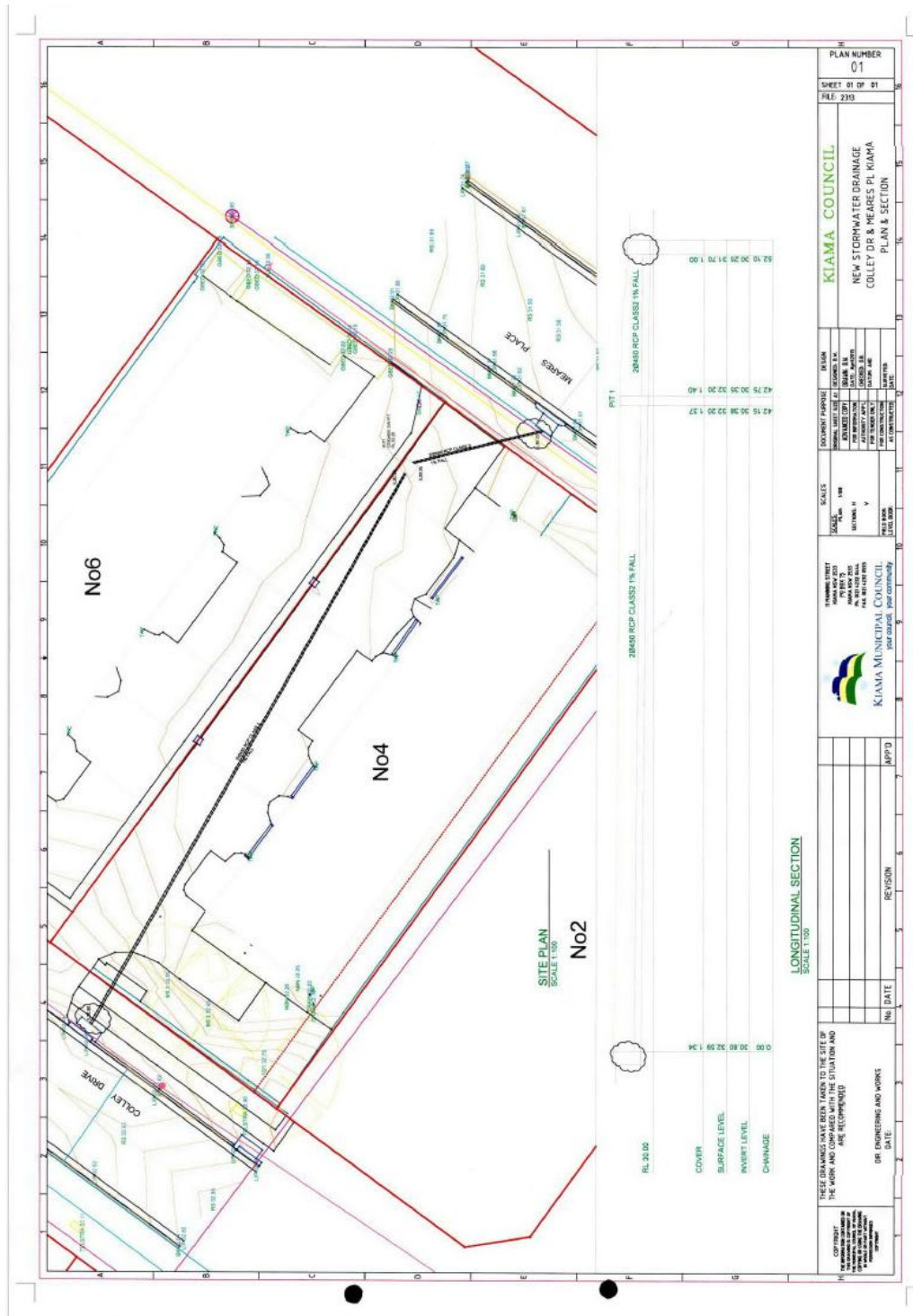
The owner's corporation for Strata Plan 18219 on 6 September 2022 agreed to the easement without compensation on the basis that Council is committing to the costs of the plan creation, legal work and registration costs associated with the 88B instrument prior to proceeding. Council will bear all costs associated with the creation of the easement and the construction of the new drainage infrastructure.

Report of the Director Corporate and Commercial

14.6 Easement for drainage purposes over part of 4 Colley Drive Kiama. (cont.)

Although agreement in principle to establish the drainage easement was obtained from the Owners Corporation in September 2022, the project has not progressed since that time. Progression of the easement creation and associated construction works has been delayed due to other priorities. These works can now be incorporated into Council's current delivery program, enabling progression of the easement and construction of the new stormwater drainage system.

Item 14.6



14.7 Proposed road closure: Lot 11 in DP 740252 South Kiama Drive, Kiama

CSP Objective: Outcome 3.3: We love where we live and are strongly connected within our region. Growth and development will be managed sustainably, thoughtfully and equitably, while preserving our built and natural heritage.

CSP Strategy: 3.3.2 Manage development and growth sustainably and thoughtfully.

Delivery Program: 3.3.2.1 Council meets the legislative requirements for Planning and Assessment.

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, Lot 11 in DP 740252, traverses 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 the formal closure enabling possible 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 2026-27, there are no direct costs to Council associated with the initial investigative stage of a formal road closure.

The applicant will be responsible for all costs associated with the road closure and subsequent disposal process, including 100% of valuation costs, survey and plan registration fees, statutory advertising, government and authority charges, the land purchase price, the applicant's legal expenses, and any other costs incurred in facilitating the disposal of the land. Council will be responsible only for its own legal fees, which can be accommodated within the 2026-27 budget.

Accordingly, the proposal presents an opportunity for Council to realise a positive financial return through the disposal of surplus land while reducing ongoing management, maintenance and liability obligations associated with an unused asset. The transaction will be undertaken on the basis that all costs associated with the disposal are borne by the applicant, minimising Council's financial exposure.

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 submitted to the Department of Planning, Housing and Infrastructure, Crown Lands Division (Crown Lands).

Policy

Roads Act 1993

Local Government Act 1993

Report of the Director Corporate and Commercial

14.7 Proposed road closure: Lot 11 in DP 740252 South Kiama Drive, Kiama
(cont.)

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.

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. The proposal will be placed on public exhibition for a period of twenty-eight (28) days, providing the community, adjoining landowners and relevant authorities with an opportunity to review the proposal and submit comments following endorsement of this report.

Should any objections be received during the exhibition period, a further report will be prepared for Council's consideration. The report will outline the issues raised, any authority legal instrument requests and provide a proposed response or resolution for Council's determination.

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 known as Lot 11 in DP 740252 – South Kiama Drive 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 known as Lot 11 in DP 740252.
4. Note that all costs associated with the road closure and subsequent disposal of the land will be borne entirely by the applicant, ensuring that the transaction is undertaken at no cost to Council and minimising Council's financial exposure.
5. Note that a separate report will be provided to Council following consultation period and valuation, seeking approval for the sale to proceed.

Report of the Director Corporate and Commercial

14.7 Proposed road closure: Lot 11 in DP 740252 South Kiama Drive, Kiama
(cont.)

Background

Council is the Roads Authority for the surplus road reserve identified as Lot 11 DP 740252.

In July 2026, Council received a request from the adjoining landowner being Lot 5 DP 740252 seeking the closure and purchase of the unformed section of Council-owned public road known as Lot 11 DP 740252 (**see Diagram A**). Following acquisition and consolidation, the land is proposed to form part of the South Kiama Urban Release Area, where development of the surrounding land is currently proposed.

Historical records confirm that Lots 10 and 11 DP 740252 were dedicated as Public Road in December 1998 (**see Diagram B**). Lot 10 DP 740252 is part of an unsurveyed road parcel located at the western side of the motorway underpass, while Lot 11 DP 740252 comprises an unformed pedestrian pathway providing access to the historic Kendalls Cemetery, where it connects at the northern end to an adjoining unformed pathway (**see Diagram C**).

The section of road proposed for closure is unsurveyed and effectively landlocked, extending along portions of the eastern boundary of Lot 5 DP 740252 and adjoining the motorway corridor. It does not provide access to any private property and is considered surplus to Council's present and future road infrastructure requirements.

The proposed road closure is intrinsically linked to the broader South Kiama Urban Release Area development. The existing pathway within Lot 11 DP 740252 currently functions as the primary pedestrian access route to Kendalls Cemetery. However, the pathway does not provide an appropriate standard of access, with no dedicated parking area, limited vehicle manoeuvring opportunities and a steep gradient between the parking area and the cemetery. These factors create accessibility challenges, particularly for elderly visitors and those with limited mobility.

As part of the approved South Kiama Urban Release Area development, formal access arrangements to Kendalls Cemetery (Lot 3 DP 258605) will be constructed as a requirement of the development consent. These works will significantly improve accessibility, safety and convenience for visitors. Upon completion, the existing pathway will no longer be required to facilitate public access to the cemetery.

Accordingly, closure of Lot 11 DP 740252 will not result in the loss of public access to Kendalls Cemetery. Rather, it will enable the surplus road reserve to be incorporated into the adjoining development area, subject to completion of the statutory road closure process and any subsequent Council approval for disposal of the land. In accordance with the Roads Act 1993, the land will vest in Council as operational land upon closure.

Lot 10 DP 740252 has also been considered as part of this review. While initially assessed for potential closure, Council officers consider the lot should remain dedicated as public road at this time. Retention of Lot 10 preserves flexibility for any future access or infrastructure requirements and avoids potentially constraining future road network opportunities. As Lot 10 is not required for the proposed land consolidation associated with Lot 11, no closure action is recommended for this parcel.

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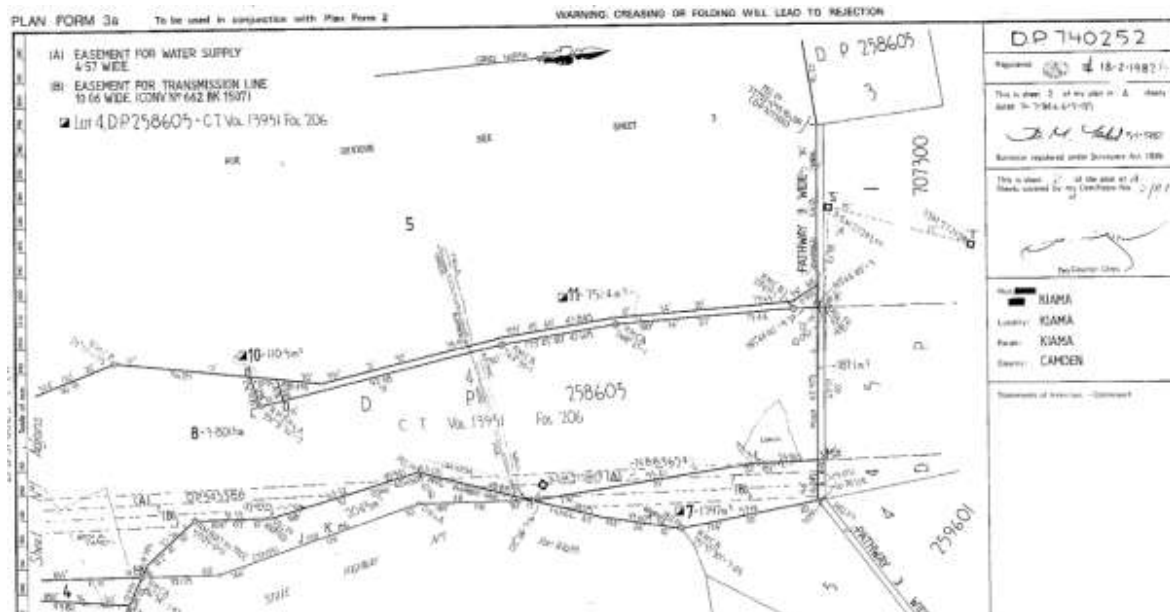
14.7 Proposed road closure: Lot 11 in DP 740252 South Kiama Drive, Kiama
(cont.)

Diagram A – Deposited Plan DP 740252



Diagram B – showing the additional surplus road reserve, known as Lot 11 in DP 740252 Kiama (orange) and subsequently Lot 10 in DP 740252 remaining as road

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14.7 Proposed road closure: Lot 11 in DP 740252 South Kiama Drive, Kiama
(cont.)



Diagram C – Pathway (red) adjoining Lot 11 in DP 740252, also traversing Kendalls Cemetery known as Lot 3 DP 258605

Conclusion

Council is the Roads Authority for the surplus road reserve provided for in DP 740252, traversing 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 noting any submissions received during exhibition period and an additional report for the disposal of the land.

14.8 Request for fee waiver: Weekly Parkrun event in Kiama

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.

Item 14.8

Summary

The purpose of this report is to advise Council that Parkrun Australia has approached Council seeking support for the establishment of a weekly Parkrun event in Kiama and has requested that all applicable fees associated with the ongoing use of Council-owned or managed land be waived. Parkrun is a volunteer-led, not-for-profit organisation that delivers free weekly 5-kilometre walk, jog and run events, promoting health, wellbeing and community connection.

Council's adopted Fees and Charges apply to the use of Council-owned and managed land and facilities. In accordance with Council policy, any waiver, reduction or exemption of fees can only be approved by a resolution of Council. Staff do not have delegation to waive fees and charges. Accordingly, Council is required to determine whether it would like resolve against its adopted fees and charges, to grant the requested fee waiver, taking into consideration the community benefits of the program and the financial implications for Council.

Financial implication

The annual fee for undertaking the weekly event is \$600 as per Council's Fees and Charges for leases and licences to local based Community, Sporting, Charitable and Not-for-Profit Groups on Community Land and Council Managed Crown Land.

Council will continue to incur administrative costs associated with monitoring and oversight of the weekly event. Approval of the waiver may also result in future requests for similar concessions from other community groups, potentially increasing the financial impact over time to Council.

Risk implication

Council annually adopts its Fees and Charges as part of the Integrated Planning and Reporting framework. Prior to adoption, proposed fees and charges are publicly exhibited for a minimum period of 28 days to provide the community with an opportunity to review and make submissions. Once adopted, the Fees and Charges apply to the use of Council-owned and managed land, facilities and services. Any waiver, reduction or exemption of an adopted fee or charge is a matter for Council and may only be approved by a resolution of Council. Staff can only apply the resolved position of Council and recommend in line with that.

Approval of the request may create a precedent for similar applications seeking waivers of adopted fees and charges, potentially undermining the consistent, equitable and transparent application of Council's Fees and Charges Schedule and reducing

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14.8 Request for fee waiver: Weekly Parkrun event in Kiama (cont.)

Council's ability to recover revenue from activities undertaken on Council-managed land.

There is also a reputational risk that the broader community and user groups may perceive that adopted fees and charges can be set aside through individual requests, creating expectations for similar treatment in future. Reputation risk exists should the organisation / community make claims that Council is not supportive of activities.

Conversely, refusing the request supports the consistent administration of Council's adopted fees and charges across all user groups. A decision that is consistent with Council's adopted policy framework provides a clear and defensible basis for Council's position. Given Council's financial position, and focus on cost recovery, any fee waiver should be carefully considered.

Policy

Lease and Licensing Policy.

Public Land Management Policy.

Local Government Act 1993.

Consultation (internal)

Executive Leadership Team.

Property Coordinator.

Property Officer.

Open Space Booking Officer.

Communication/Community engagement

There is no community engagement required at this point. If the licence for the weekly event is to proceed there will be a 28-day notification period to the community via Council's 'Your Say' page and notification to adjoining landowners of the proposed Park Run route.

Attachments

Nil

Enclosures

Nil

RECOMMENDATION

That Council:

1. Support the establishment of a weekly Parkrun event within the Kiama Local Government Area, subject to all relevant approvals and risk management requirements.
2. Approve the use of Council-owned and managed land for the operation of a weekly Parkrun event in Kiama and enter into a 12-month licence agreement with Parkrun Australia, subject to the payment of the applicable annual fee in accordance with Council's adopted Fees and Charges, noting that Council has

considered the request for a waiver of fees and charges and that the applicable adopted fees are to apply.

Background

Parkrun Australia has approached Council seeking support for the establishment of a weekly Parkrun event within the Kiama Local Government Area and has submitted a proposed course route for consideration (see Diagram 1). The event would utilise Council-owned or managed public open space and would operate on an ongoing basis as a free community activity.

Parkrun is a volunteer-led, not-for-profit organisation that delivers free 5-kilometre walk, jog and run events on Saturday mornings in public open spaces throughout Australia and internationally. It is not a local non-for-profit group and is not registered with the Australian Charities and Not-for-Profits Commission (ACNC).

The organisation advises that more than 520 weekly Parkrun events currently operate across Australia, attracting participation from a broad cross-section of the community.

The Parkrun model is designed to encourage participation regardless of age, ability or fitness level and includes children and families, older residents, people living with disability, individuals managing health conditions and residents seeking opportunities for social connection and improved wellbeing. As participation is free, the program provides an accessible and low-cost recreational activity that supports physical activity and community engagement.

The proposal aligns with Council's strategic objectives relating to community wellbeing, active lifestyles and social connectedness. Potential community outcomes include increased participation in physical activity, improved health and wellbeing outcomes, enhanced social inclusion, greater community connection and increased opportunities for volunteer involvement. The event also provides an inclusive recreational opportunity that is accessible to a wide range of community members.

Diagram 1

Proposed Kiama Parkrun Course



Report of the Director Corporate and Commercial

14.8 Request for fee waiver: Weekly Parkrun event in Kiama (cont.)

Request for waiver of fees

As part of its request, Parkrun has sought a waiver of any applicable Council fees associated with the ongoing use of Council-owned or managed land, including any future fees that may apply. Parkrun has advised that maintaining free participation is fundamental to its operating model and that fee waivers are commonly sought from host councils throughout Australia.

Council annually adopts its Fees and Charges as part of the Integrated Planning and Reporting framework. Prior to adoption, proposed fees and charges are publicly exhibited for a minimum period of 28 days to provide the community with an opportunity to review and make submissions. Once adopted, the Fees and Charges apply to the use of Council-owned and managed land, facilities and services. Any waiver, reduction or exemption of an adopted fee or charge is a matter for Council and may only be approved by a resolution of Council. Staff can only apply the resolved position of Council and recommend in line with that.

Council staff undertook investigations into practices adopted by other local government authorities that currently host Parkrun events. While the majority of councils presently do not charge a fee for the use of public land for Parkrun events, advice received indicates that more than 70% of NSW councils are considering the introduction of fees within the next 12 months to assist with cost recovery and administration.

Should Council elect not to waive fees, the applicable charge would be Council's minimum annual rental fee for a not-for-profit organisation, currently set at \$600 per annum. While the financial impact of the proposed waiver is relatively minor, the request raises broader governance and equity considerations, particularly regarding consistency with Council's adopted Fees and Charges and the potential precedent that may be established for other community organisations seeking similar concessions.

For this reason, and noting that the request involves an ongoing financial concession by Council, the matter is presented to Council for consideration and determination.

Options

Option 1 – Approve the fee waiver

Support the establishment of the weekly Parkrun event and approve the waiver of applicable Council fees.

Advantages:

- Supports community health and wellbeing.
- Encourages social connection and volunteer participation.
- Provides a free recreational opportunity for residents and visitors.

Disadvantages:

- Loss of annual revenue.
- Potential precedent for future fee waiver requests.

Report of the Director Corporate and Commercial

14.8 Request for fee waiver: Weekly Parkrun event in Kiama (cont.)

Option 2 – Support the event but apply standard fees

Approve the use of Council land subject to payment of the applicable annual fee.

Advantages:

- Maintains compliance with Council's adopted fees and charges.
- Avoids creating a precedent for future fee waiver requests.
- Provides partial cost recovery for Council.

Disadvantages:

- Could reduce the likelihood of the event proceeding.

Option 3 – Decline the request

Decline both the fee waiver and support for the event.

Advantages:

- No financial impact on Council.
- Avoid any precedent regarding fee concessions.

Disadvantages:

- Loss of a potentially valuable community health and wellbeing initiative.
- Potential negative community perception.

Conclusion

The proposed weekly Parkrun event offers significant community benefits through improved health, wellbeing, social inclusion and volunteer participation opportunities. While the direct financial impact of the requested fee waiver is relatively minor at approximately \$600 per annum, approval would represent an ongoing financial contribution by Council and may create expectations for similar concessions from other organisations.

Given the community benefits and broader governance considerations, the matter is appropriately referred to Council for determination regarding the requested fee waiver and Council's level of support for the initiative. It is recommended Council support Option 2 as set out above.