14 REPORT OF THE DIRECTOR CORPORATE AND COMMERCIAL

14.1 Presentation of the 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

Council is required to advertise a summary of Audited Financial Statements for the year and formally present them to the public in accordance with the *Local Government Act 1993*.

Any person may make a submission with respect to the financial reports within seven days of them being presented to Council.

Financial implication

N/A

Risk implication

Audits provide assurance to Council and the community that the Financial Statements accurately represent Council's financial position at the end of the financial year.

Policy

In accordance with sections 418 and 419 of the *Local Government Act 1993*, Council is required to advertise a summary of the financial result for the year and formally present the Annual Financial Statements to the public.

Any person may make a written submission with respect to the financial reports within seven (7) days of the reports being presented to the public. As required under the *Local Government Act 1993*, Council will provide all submissions to the auditors and, in addition, may take action as considered appropriate.

Consultation (external)

Audit Office of NSW

Consultation (internal)

Audit, Risk & Improvement Committee meeting on 13 October 2026

Mayor and Councillors

Chief Executive Officer

Director Corporate and Commercial

Chief Financial Officer

Senior Financial Accountant

Communication/Community engagement

Public notice of a summary of the financials has been advertised locally to give the community an opportunity to provide a submission.

Attachments
Nil

Enclosures

1 2025-26 Audited Financial Statements⇨

RECOMMENDATION

That Council:

1. Presents the 2025-26 Audited Financial Statements and Audit Reports to the public in accordance with sections 418 and 419 of the *Local Government Act 1993*.
2. Acknowledges the work and collaboration of the NSW Audit Office during the 2025-26 audit.

Background

Kiama Municipal Council's audited 2025-26 Annual Financial Statements have been finalised. The NSW Audit Office has provided their various audit reports, and the Audited Financial Statements were submitted to the Office of Local Government on 26 October 2026 following the Council meeting on 20 October 2026.

Report

Council has provided public notice that the Financial Statements and Auditor's report will be presented at this meeting in accordance with Section 418 of the Local Government Act 1993 and has invited public submissions.

Following formal presentation of the Financial Statements and Auditor's Report to the public at the 17 November 2026 Ordinary Meeting, members of the public have seven days until 26 November 2026, to make submissions regarding the documents in accordance with Section 420 of the Local Government Act. Such submissions must be in writing and must be referred by Council to the auditor.

The NSW Audit Office has issued an unmodified audit opinion for the 2025-26 Financial Statements.

A short summary of the Financial Statements is provided below but noting the full set of Financial Statements both General Purpose and Special Purpose are attached.

	2026 $ '000	2025 $ '000
Income Statement		
Total income from continuing operations	**67,464**	74,082
Total expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	**60,505**	63,272
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	**6,959**	10,810
Depreciation, amortisation and impairment of non-financial assets	**9,347**	11,557
Operating result from continuing operations	**(2,388)**	(747)
Operating result from discontinued operations	**–**	(6,643)
Net operating result for the year attributable to Council	**–**	(7,390)
Net operating result for the year before grants and contributions provided for capital purposes	**(9,340)**	(22,907)
Statement of Financial Position		
Total current assets	**48,850**	42,552
Total current liabilities	**(87,041)**	(83,736)
Total non-current assets	**677,749**	674,237
Total non-current liabilities	**(6,707)**	(8,908)
Total equity	**632,851**	624,145

Please refer to the enclosed 2025-26 Annual Financial Statements for full details. The Auditor's summary of the audit and any risk, control or process improvements noted during the course of the audit will be presented to Council's Audit Risk & Improvement Committee (ARIC) at its upcoming meeting.

14.2 Quarterly Budget Review (QBR 1) and Monthly Financial Report - 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.

Summary

This report presents the Draft Quarterly Budget Review Statement for the quarter ending 30 September 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 2026-27 financial year.

This report also presents the Monthly Financial Report for YTD 30 September 2026 and 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.

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 Quarterly Budget Review (QBR 1) - September 2026⇨

2 Monthly Financial Statements - September 2026⇨

RECOMMENDATION

That Council receive and adopt:

1. the Quarterly Budget Review Statement (QBRS) for the quarter ended 30 September 2026, including the recommended adjustments to the 2026-27 Operational and Capital Budgets and the resulting impacts on cash, reserves and projected year-end financial outcomes.
2. the Monthly Financial Report for September 2026, including the reported financial performance, capital expenditure and cash position as at 30 September 2026.

Quarterly Budget Review (QBR 1) – September 2026

Background

This report highlights Council's year-to-date (YTD) September 2026 (Q1) 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 unrestricted cash.

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.

For the quarter ending 30 September 2026, Council has reviewed its adopted budget and identified key adjustments 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.

Executive summary

The table below highlights the projected changes to Council's 2026–27 budget as at Q1. The figures reflect previously approved carry forwards and budget changes, together with the proposed budget variations included in this QBRS.

Item ($'000)	Full Year		
	Original Budget	Proposed QBR 1 Budget	Variance
Net Operating Result before Capital Grants	(3,849)	(3,802)	47
Unrestricted Cash Balance	9,883	12,060	2,177

Operating results

The below table sets out proposed changes between QBR1 and the original budget.

Item ($'000)	Full Year		
	Original Budget	Proposed QBR 1 Budget	Variance
Operating Revenue	**69,835**	**69,903**	**68**
Operating Expenditure	**66,375**	**65,822**	**(553)**
Employee Benefits	*29,139*	*29,053*	*(86)*
Materials & Contracts	*26,300*	*26,069*	*(204)*
Other (Borrowing costs & Other Expenses)	*1,708*	*1,444*	*(263)*
Depreciation & Amortisation	*9,228*	*9,228*	-
Operating results	**3,460**	**4,081**	**621**
Capital Grants (inc. in operating revenue above)	7,309	7,884	574
Operating results before Capital Grants	**(3,849)**	**(3,802)**	**47**

Operating results before capital grants and contributions are forecast to marginally improve by $47K, reducing the projected deficit from $3.85M to $3.80M. This is due to a $553K reduction in operating expenditure, partly offset by a $506K decline in operating income (excl Capital grants).

Reductions in operating expenditure include savings relating to workers compensation premiums, decreased interest expenses due to the later commencement of the T-Corp loan, reductions in expenditure on asset valuations among others. This is offset by increases in revenue from developer contributions, user charges and fees and additional grant income.

When income from capital grants is included, the projected operating result from continuing operations is a surplus of $4.1M, improving by $621K from $3.5M in Council's original budget.

The $621K improvement is largely due to a reclassification of some grant projects from operating to capital; the grant income was capital and the corresponding expenditure will now be capitalised. This treatment is in alignment with the associated works program (Roads to Recovery $490K; Block Grant $146K).

The tables below highlight the key proposed changes to operational revenue and expenditure.

Proposed QBR 1 Changes to operational Revenue

Item ($'000)	Change
Carry forwards and other changes previously approved	92
Updates to Roads to Recovery and Block Grant Program revenue (including reclassification from operational to capital in alignment with program planning)	(109)
Higher developer contributions	100
Reduced Blue Haven DMF income – building works and vacant units	(150)
Updates to capital grant income aligned with capital program changes	(162)
User charges and fees (rent income, s138, building certificates)	101
Other (primarily grants and contributions, recoveries)	197
Total proposed changes	**68**

Proposed QBR 1 Changes to operational Expenditure

Item ($'000)	Change
Carry forwards and other changes previously approved	(86)
Reduction in workers compensation insurance premiums	(100)
Reduction in borrowing costs relating to a delay in drawdown of $5M T-Corp loan for Blue Haven Terralong	(114)
Reduction in the asset revaluation budget due to fewer asset classes being scheduled for revaluation	(188)
Historical contract retentions no longer needed	(192)
Updates to Block Grant Program in alignment with program planning	(142)
Additional costs related to proposed SRV application and consultation	100
Other (primarily costs related to grants and contributions, recoveries)	170
Total proposed changes	**(553)**

Capital program

The attached Capital QBRS for the period ending 30 September 2026 shows a net decrease of $515K to the annual capital budget program, lowering the adopted budget from $24.8M to $24.3M.

Proposed QBR 1 Changes to Capital Program

Item ($'000)	Change
Carry forwards and revotes previously approved	3,836
Blue Haven Terralong Fire Compliance	(400)
Blue Haven Asset Condition / Refurbishment works	(3,297)
Coronation Park - Storm Damage Restoration	(1,000)
Disaster Recovery (DRFA AGRN1212) – Pavement Repair works	(412)
Roads to Recovery Funded works	490
Other	268
Total proposed changes	**(515)**

The key proposed changes include a $3.7M reduction in Blue Haven Terralong, comprising:

- A $400K reduction in the Fire Safety program tender outcome, and the later start to the Fire Safety Program moving a further $400K into next year
- $3.3M deferral of works identified in the Asset Condition (Asset Dilapidation Report), pending an independent third-party peer review, which is already under way. The deferral also considers the capacity to undertake significant further works while the Fire Safety rectification program is established.

Other significant changes to the capital works program include a $1M reduction in Coronation Park storm damage restoration works, as associated grant funding has not yet been confirmed and may not be received until FY28. In addition, the program includes an increase of $490K in Roads to Recovery funded works to align with confirmed grant funding allocations, and a decrease of $412K in pavement repair works, as funding was not approved under the Disaster Recovery Funding Arrangements (DRFA) program.

Cash, Reserves and Unrestricted Cash

Item ($'000)	Full Year		
	Original Budget	Proposed QBR 1 Budget	Variance
Cash, Cash Equivalents & Investments	51,064	47,098	(3,966)
Reserves (External & Internal)	41,181	35,038	(6,143)
Unrestricted Cash Balance	9,883	12,060	2,177

Council's total cash, cash equivalents and investments are projected to decrease by $4M by 30 June 2027. This consists of a reduction in reserves of $6.1M and an increase in Unrestricted Cash of $2.2M.

Of the $6.1M reduction in reserves, $4.1M relates to planned property divestments that were originally budgeted to be transferred to the internally restricted Land Development Reserve.. At the time of any property sales, management's

recommendations on the allocation of sale proceeds will be the subject of a report to Council. The report will also be noted in the monthly Investment Report at the applicable time. The allocation of sale proceeds at the time, in accordance to Council's Restricted Reserves Policy will consider unrestricted cash reserves, general operations and funding requirements, along with adding to internal restricted reserves.

In addition, the proposed QBR 1 amendments to the capital works program increase the utilisation of grant funding, drawing down on reserves by $1.3M to fund eligible capital projects.

Proposed QBR 1 Changes to Unrestricted Cash

Item ($'000)	Change
Carry forwards and revotes previously approved	(1,405)
Property divestments now assumed to be unrestricted	4,151
Increase in property divestments relating to unrestricted funds	1,054
Blue Haven Fire Safety, Asset Condition / Refurbishment works	3,697
Lower ILU sales, pending progressive completion of Stage 5 works	(1,849)
Principal loan repayment adjustment	(439)
Updates to capital grants and contributions	(3,145)
Other	113
Total proposed changes	2,177

Council's unrestricted cash balance is forecast to increase by $2.2M by 30 June 2027 to a total balance of $12M.

As outlined above, this increase is primarily driven by proceeds from planned property divestments now assumed to be unrestricted ($4.1M) as noted earlier, along with an increase in property sale proceeds of $1.3M, with $292K relating to road closures requiring restriction) and the $3.7M reduction in the capital works program at Blue Haven Terralong. The later start on the Fire Safety Program is expected to have a corresponding impact on units available for sale, and a reduction in ILU sales ($1.9M) has also been adjusted for this year and moved into next year. This will be monitored as the year progresses.

In addition, unrestricted cash movements incorporate budget corrections and reclassifications, including an increase in principal loan repayments, an update to cash expected from capital grants and contributions (which should have been reflected in reserves, rather than unrestricted cash), and the reclassification of various items from cash to non-cash expenditure.

Monthly Financial Report – September 2026

1. 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 (Prior to QBR 1)	Variance
Net Operating Result before Capital Grants	(1,176)	(1,859)	683	(3,849)	(3,752)	98
Unrestricted Cash Balance	507*	TBD	TBD	9,883	8,397	(1,486)

** Includes investment in Civic Risk Mutual $504K*

As at 30 September 2026, Council's YTD operating deficit of $1.2M from continuing operations before capital grants is $683K favourable to budget.

Council's YTD unrestricted cash position is $507K (which includes Council's investment in Civic Risk Mutual of $504K, which results in an actual unrestricted cash figure of $3K). This has decreased by $2.3M since the end of the previous month, however, is expected to recover to $8.4M by year end. This reduction is mainly timing in nature and was largely driven by large annual renewals (including software licences, insurance premiums) and lower Blue Haven Terralong ILU sales, as Stage 5 units cannot be sold until they are rectified under the Fire Safety program. Externally restricted reserves decreased by $1.1M between months predominantly due to expenditure incurred on crown reserve-funded projects.

Note the Investment Report as at 31 October in this month's Council papers shows an improved position to the September balance noted above.

2. Operating results

As at 30 September 2026, Council's YTD operating deficit of $1.2M before capital grants is $683K (37%) favourable to budget. When income from capital grants is included, the operating result becomes a surplus of $147K and is favourable to budget by $557K (136%).

Item ($'000)	YTD			Full Year		
	Actual	Budget	Variance	Original Budget	Adopted Budget (Prior to QBR 1)	Variance
Operating Revenue	**15,844**	**15,543**	**301**	**69,835**	**69,847**	**11**
Operating Expenditure	**15,697**	**15,953**	**256**	**66,375**	**66,289**	**(86)**
Employee Benefits	7,717	7,551	(166)	29,139	29,139	0
Materials & Contracts	5,537	5,935	397	26,300	26,260	(40)

Item ($'000)	YTD			Full Year		
	Actual	Budget	Variance	Original Budget	Adopted Budget (Prior to QBR 1)	Variance
Other (Borrowing costs & Other Expenses)	136	160	25	1,708	1,662	(46)
Depreciation & Amortisation	2,307	2,307	0	9,228	9,228	0
Operating results	**147**	**(410)**	**557**	**3,460**	**3,558**	**98**
Capital Grants (inc in operating revenue above)	1,323	1,449	(126)	7,309	7,309	0
Operating results before Capital Grants	**(1,176)**	**(1,859)**	**683**	**(3,849)**	**(3,752)**	**98**

Key material variances

Category	YTD vs Adopted Budget (Prior to QBR 1)	
User charges and fees	$296K 8% (F)	• Holiday Parks $262K F – Seasonal timing • Higher income from engineering assessment and approvals fees $64K F, due to increased development activity in Kiama LGA • Blue Haven ILU maintenance levy $33K U - unit vacancies due to fire compliance building rectification • Other minor variances $3K F
Other Revenue	$145K 12% (U)	• Blue Haven Terralong ILU Deferred Management Fees (DMF) $210K U due to unit vacancies tied to fire compliance building rectification • Tourism & Events $97K F NYE business sponsorship income raised • Other minor variances $32K U
Operating Grants and Contributions	$147K 18% (F)	• Special Entertainment Precinct Kickstart Grant (SEP) funding income $60K F • Additional grant income relating to Fresh Start Grant Program funding for Council cadets $144K F portion of revenue relating to FY26 • Kiama Coastal Management Plan $57K U – project timing
Materials and Contracts	$397K 7% (F)	• Favourable timing variances across Council business units: - Utilities $41K F - Consultants $85K F

Category	YTD vs Adopted Budget (Prior to QBR 1)	
		- Green waste and other waste disposal costs $258K F - Cyber security and ICT licenses $79K F - Leisure Centre operating costs $52K F - Kiama Coast Holiday Parks $129K F (cabin and site maintenance, linen contracts, utilities and marketing) • Unfavourable timing variances across other council business units: - Blue Haven Terralong ILU maintenance $61K U - Regional Road Block grant funded expenditure $63K U - Coastal management works overspend $94K U - $29K U Other minor variances

3. Unrestricted cash

During the month of September Council's overall cash balance decreased by $3.4M from $40.4M (including Civic Risk Mutual Holding Interest) to $37.0M.

In addition, the following significant events affected cash balances:

- 5 supplier payment runs
- 5 payroll payments
- Annual renewals (incl. software licenses, insurance) $2.2M
- Grant revenue received $470K
- Capital works of $876K
- Net ILU payments of $138K

Based on the current adopted budget (Prior to QBR 1), Councils unrestricted cash balance is forecast to increase to $8.4M by June 2027. Accordingly, the current low unrestricted cash position is considered temporary and largely attributable to timing differences, with balances expected to improve over the remainder of the financial year. Refer to the Investment Report – September 2026 for further details and October 2026 for initial improvement.

Cash Balances ($'000)	Actual			Full Year		
	30/06/26	30/09/26	YTD Change	Original Budget	Adopted Budget (Prior to QBR 1)	Variance
Total Cash, Cash Equivalents and Investments	43,153	36,951	(6,202)	51,064	47,326	(3,738)
Net Reserves (internal and external)	38,139	36,444	(1,695)	41,181	38,929	(2,252)
Unrestricted Cash	**5,014**	**507***	**(4,507)**	**9,883**	**8,397**	**(1,486)**

** Includes investment in Civic Risk Mutual $504K*

Key Performance Ratios as at September 2026

Operating Sustainability

Ratio	YTD Actual	Benchmark (Regional Towns/Cities)	Status
Operating Performance Ratio	-8%	> 0.0%	●
Operating Performance Ratio (Excl. Depreciation)	8%	> 20.0%	●
Own Source Revenue Ratio	86%	> 60.0%	●

Liquidity

Ratio	YTD Actual	Benchmark (Regional Towns/Cities)	Status
Unrestricted Current Ratio	3.5	> 1.5x	●
Unrestricted Cash Expense Cover Ratio	0.1	> 3.0 months	●

Leverage

Ratio	YTD Actual	Benchmark (Regional Towns/Cities)	Status
Debt Service Cover Ratio	12.5	> 2.0x	●

Developer Contributions

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

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 next 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)

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	Implemented	33,187	Additional 40 rateable properties in Sep-26 (versus 30 in budget)
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	Implemented	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	TCorp is open to early repayment – KMC assessing opportunity cost.
TCorp Interest	In Progress	(275,000)	Budget assumes full year interest on $5M loan at 5.5%. Loan application submitted. Some savings

Adopted Savings Initiative	Progress Status	Target Savings	Comments
			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**	

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	Updated in fees and charges
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

KIAMA MUNICIPAL COUNCIL **Consolidated Income Statement** For the Period Ending 30 September 2026	Year to Date				Full Year		
	Actual	Adopted Budget (Prior to QBR 1)	- Variance -		Last Year Actual	Original Budget	Adopted Budget (Prior to QBR 1)
	26-27	26-27	26-27		25-26	26-27	26-27
	$'000	$'000	$'000	%	$'000	$'000	$'000
Income							
Rates, Levies & Annual Charges	7,849	7,781	68	1%	30,332	31,287	31,287
User charges and fees	4,142	3,847	296	8%	19,144	19,729	19,729
Interest & Investment Revenue	506	445	61	14%	1,726	1,780	1,780
Other Revenue	1,066	1,212	(145)	-12%	3,902	4,774	4,786
Operating Grants and Contributions	956	809	147	18%	4,916	4,727	4,727
Capital Grants and Contributions	1,323	1,449	(126)	-9%	6,952	7,309	7,309
Other Income	-	-	-	0%	39	135	135
Net Gain / (Loss) from disposal of assets	-	-	-	0%	453	93	93
Total Income from continuing operations	**15,844**	**15,543**	**301**	**2%**	**67,464**	**69,835**	**69,847**
Expenses							
Employee Benefits	7,717	7,551	(166)	-2%	30,169	29,139	29,139
Borrowing Costs	28	29	2	5%	420	667	667
Materials & Contracts	5,537	5,935	397	7%	23,732	26,300	26,260
Other Expenses	108	131	23	18%	1,594	1,040	994
Project costs re-classified to Operating					*4,590*		
Total Expenses from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	**13,390**	**13,646**	**256**	**2%**	**60,505**	**57,147**	**57,060**
Operating result from continuing operations excluding depreciation, amortisation and impairment of non-financial assets	**2,454**	**1,897**	**557**	**29%**	**6,959**	**12,688**	**12,786**
Depreciation & Amortisation	2,307	2,307	-	0%	9,347	9,228	9,228
Operating result from continuing operations	**147**	**(410)**	**557**	**136%**	**(2,388)**	**3,460**	**3,558**
Net Operating result before grants and contributions provided for capital purposes	**(1,176)**	**(1,859)**	**683**	**37%**	**(9,341)**	**(3,849)**	**(3,752)**

14.3 Statement of Investments - October 2026

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

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

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

Summary

This report provides an overview of Council's cash and investment portfolio and investment performance as at 31 October 2026 and endorsement of the restricted funds position.

Financial implication

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

Risk implication

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

Policy

Clause 625 of the *Local Government Act 1993*

Clause 212 of the *Local Government (General) Regulation 2021*

Kiama Municipal Council – Investment Policy

Kiama Municipal Council – Restricted Funds Policy

Consultation (internal)

Chief Executive Officer

Director Corporate and Commercial

Chief Financial Officer

Senior Financial Accountant

Communication/Community engagement

N/A

Attachments

Nil

Enclosures
Nil

RECOMMENDATION

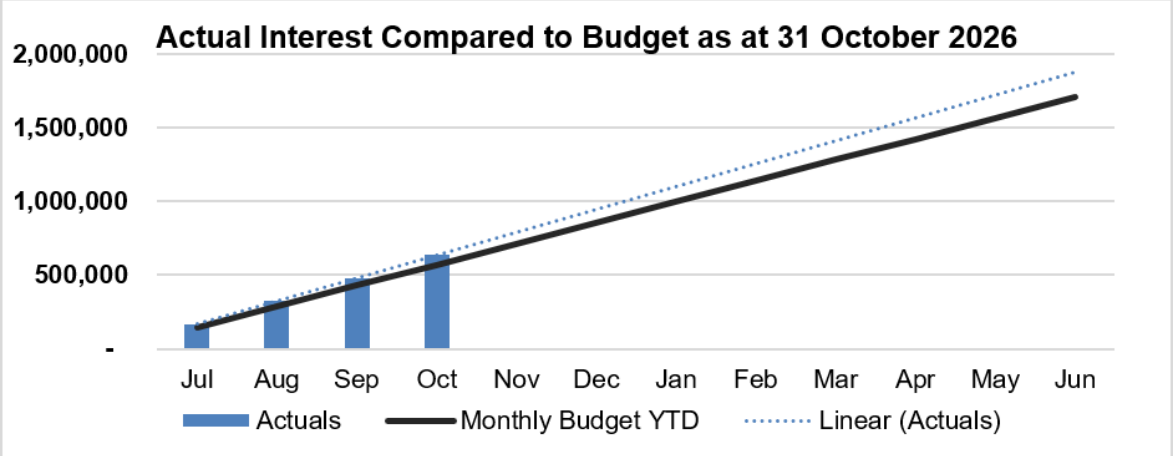
That Council receives the information relating to the Statement of Investments as at 31 October 2026.

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 October, excluding cash, the total portfolio provided a return of +0.44% (actual) or +5.27% p.a. (annualised), outperforming the benchmark AusBond Bank Bill Index return of +0.37% (actual) or +4.48% p.a. (annualised). All time periods are now comfortably above benchmark returns.



Council's portfolio is currently outperforming interest benchmarks, with overall interest income performance exceeding the adopted 2026-27 Budget.

Portfolio compliance

Issuer / Counterparty

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.

Compliant	Issuer	Rating	Invested ($)	Invested (%)	Max. Limit (%)	Available ($)
✓	Westpac	AA-	$7,236,726	18.93%	40%	$8,057,964
✓	NAB	AA-	$10,000,000	26.15%	40%	$5,294,690
✓	ING	A	$8,000,000	20.92%	30%	$3,471,018
✓	Bendigo and Adelaide	A-	$1,000,000	2.62%	30%	$10,471,018
✓	BOQ	BBB+	$1,000,000	2.62%	15%	$4,735,509
✓	Heritage Bank	BBB+	$2,000,000	5.23%	15%	$3,735,509
✓	Hume Bank	BBB+	$1,000,000	2.62%	15%	$4,735,509
✓	P&N Bank	BBB+	$4,000,000	10.46%	15%	$1,735,509
✓	State Bank of India	BBB	$4,000,000	10.46%	15%	$1,735,509
			$38,236,726	**100.00%**		

Category / Class

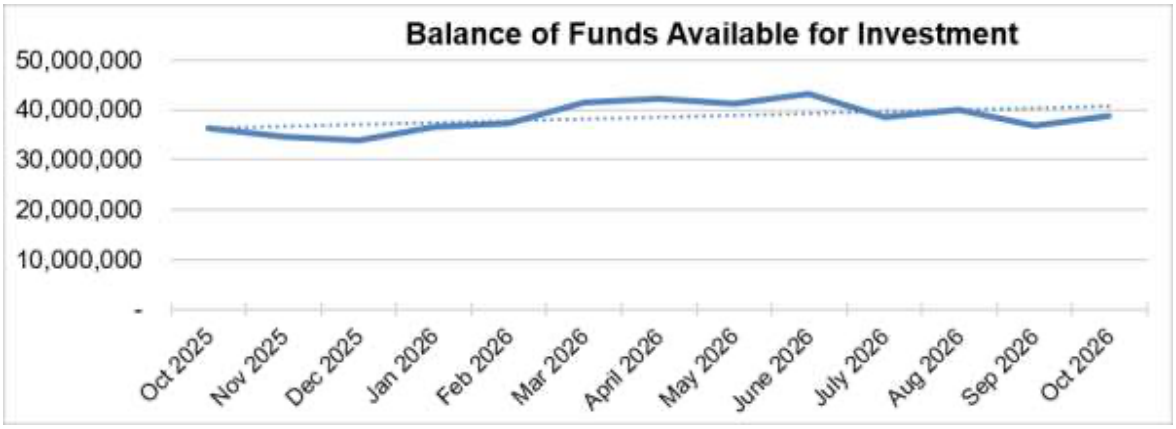
The portfolio remains diversified from a credit ratings perspective, with exposure extending to BBB category (which remains Investment Grade). All rating categories remain within Policy limits, apart from the BBB category, which is overweight by $529K, with Council holding $12M (31.4%) of BBB-rated assets, versus the policy limit of 30%. It should be noted that compliance was impacted by the downgrade of Bank of Queensland (BoQ) from A- to BBB+ during October. If BoQ had remained rated A-, the BBB category would have been within policy (28.8% or $471K within limits).

Compliant	Credit Rating	Invested ($)	Invested (%)	Max. Limit (%)	Available ($)
✓	AAA Category	$0	0.00%	100%	$38,236,726
✓	AA Category	$17,236,726	45.08%	100%	$21,000,000
✓	A Category	$9,000,000	23.54%	70%	$17,765,708
X	BBB Category	$12,000,000	31.38%	30%	-$528,982
✓	Unrated ADIs	$0	0.00%	0%	$0
		$38,236,726	**100.00%**		

Although minor in quantum, the breach has evidenced a need to further improve controls and reporting in this area, in particular the daily cash balance fluctuations which can impact percentage allocations across the portfolio as has occurred and reported previously. Improvement actions to address the breach and improve investment management generally:

- From this month, the Investment Report includes a Compliance by Category table.
- Council officers to update the cash balance daily in the portfolio management platform provided by Council's investment advisor (ARLO). This will mean that any breaches caused by fluctuating cash balances are highlighted immediately,.
- Council to redeem the next BBB investment to address the current breach. Council's investment advisor recommends holding onto the BBB deposits until maturity, noting that one BBB investment was redeemed on 21st October, and would have brought the portfolio within limits if BoQ had not been downgraded. The next opportunity will be the BoQ investment maturing on 2nd December. Any early withdrawal of term deposits (noting the additional minimum 31-day notice period) is generally financially unfavourable given the penalty on the loss of interest (break fees) and potential for refinancing costs (partial loss of capital). At this stage, ARLO recommends redeeming the deposit with BoQ at maturity on 2 December 2026. If the overall portfolio's balance remains relatively unchanged, the investment portfolio should be rebalanced and within policy limits at that time.

Movement in investments



Trades matured in October:

Issuer	Rating	Type	Interest	Purchase	Maturity	Rate %	Value
BOQ	BBB+	TD	At Maturity	08/04/2026	07/10/2026	5.34	2,000,000
BOQ	BBB+	TD	Annual	08/04/2026	07/10/2026	5.34	1,000,000
P&N Bank	BBB+	TD	Annual	08/04/2026	21/10/2026	5.38	1,000,000
NAB	AA-	TD	Annual	14/01/2026	14/10/2026	4.50	1,000,000
Total							**5,000,000**

New trades entered during October:

Issuer	Rating	Type	Interest	Purchase	Maturity	Rate %	Value
NAB	AA-	TD	At Maturity	07/10/2026	06/10/2027	5.67	1,000,000
NAB	AA-	TD	At Maturity	14/10/2026	14/07/2027	5.63	1,000,000
NAB	AA-	TD	At Maturity	07/10/2026	07/07/2027	5.62	1,000,000
Total							**3,000,000**

Portfolio summary:

Issuer	Rating	Type	Interest	Purchase	Maturity	Rate %	Value
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	BBB+	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
NAB	AA-	TD	At Maturity	07/10/2026	07/07/2027	5.62	1,000,000

Issuer	Rating	Type	Interest	Purchase	Maturity	Rate %	Value
NAB	AA-	TD	At Maturity	14/10/2026	14/07/2027	5.63	1,000,000
Hume Bank	BBB+	TD	Annual	06/08/2025	04/08/2027	3.95	1,000,000
NAB	AA-	TD	At Maturity	07/10/2026	06/10/2027	5.67	1,000,000
NAB	AA-	TD	Annual	27/05/2026	24/05/2028	5.35	1,000,000
Westpac	AA-	TD	Monthly	31/10/2026	31/10/2026	4.53	7,236,726
Total 38,236,726							

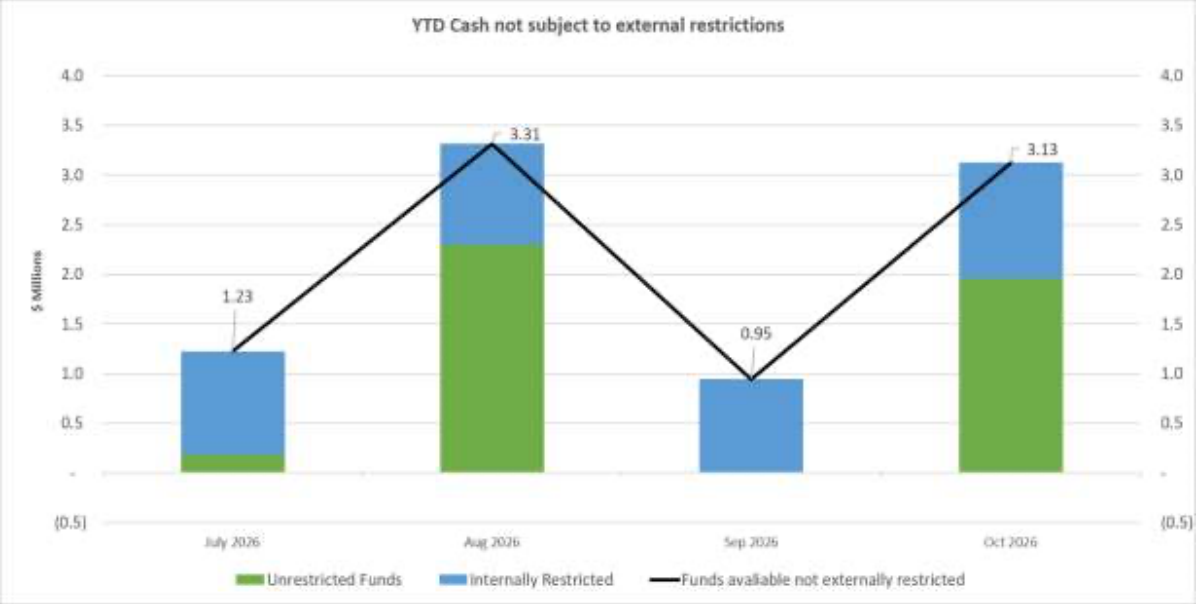
Restricted Funds movements

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

Cash and Investments Held	**30/09/2026**	**Movement**	**31/10/2026**
Cash at Bank - Transactional Account	3,471,622	3,765,104	7,236,726
Other Cash and Investments	33,000,000	(2,000,000)	31,000,000
Total Portfolio Balance (Per Arlo Advisory report)	**36,471,622**	**1,765,104**	**38,236,726**
Cash on Hand	5,300	-	5,300
Civic Risk Mutual Holdings Interest	504,000	-	504,000
Unpresented cheques & other items	(29,642)	35,098	5,456
Book Value of Cash and Investments	**36,951,280**	**1,800,202**	**38,751,482**
Unspent Loan Funding	400,000	-	400,000
Unexpended Grants	3,736,354	(677,418)	3,058,936
Developer Contributions (Unexpended)	16,019,568	122,567	16,142,136
Stormwater Levy	812,162	(69,837)	742,325
Security bonds, Deposits & Retentions	2,514,602	9,012	2,523,614
Crown Reserve	1,321,710	(11,390)	1,310,320
Domestic Waste Management	8,873,690	246,019	9,119,709
Blue Haven Terralong ILU Maintenance Levy	1,788,824	-	1,788,824
Roads Reserve	35,200	-	35,200
External Restrictions	**35,502,110**	**(381,046)**	**35,121,064**
Employee Leave Liabilities	1,440,502		1,440,502
Land Development	-		-
Temporary Funding of Disaster Recovery Funding Agreement Works	(998,420)	217,443	(780,977)
Blue Haven Terralong ILU Prudential Cover	500,000		500,000
Plant Replacement	-		-
Risk Improvement Incentive	-		-
Terralong ILU Capital Works	-		-
Internal Restrictions	**942,082**	**217,443**	**1,159,525**
Unrestricted Cash (including Civic Risk)	**507,089**	**1,963,805**	**2,470,893**

Investment in Civic Risk Mutual	**504,000**	**-**	**504,000**
Unrestricted Cash	**3,088**	**1,963,805**	**1,966,893**
Cash not subject to external restrictions	**945,170**	**2,181,248**	**3,126,418**

Unrestricted funds



During the month of October Council's overall cash balance increased by $1.8M from $36.9M (including Civic Risk Mutual Holding Interest) to $38.7M.

In addition, the following significant events affected cash balances:

- Grant revenue received $2.03M
- Capital works of $869K
- ILU receipts of $1.03M

As a result, Council's unrestricted cash increased by $1.97M during October to $1.9K. Cash not subject to external restrictions is now $3.1M.

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.

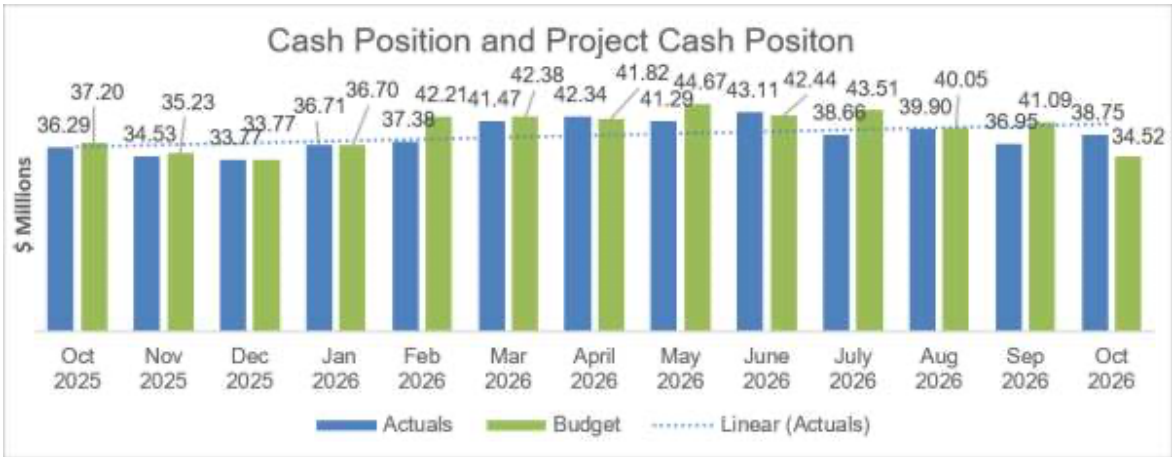
The following table shows the formal use of these internal restricted reserves. No repayment of previous drawdowns of internal restricted reserves is planned at this stage until unrestricted funds become available. This will be reviewed during 2026/27 with a coinciding review of all restricted reserves.

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 October 2026, comparing to budget.



Certification – Responsible Accounting Officer

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

Jose Diaz
Chief Financial Officer
9/11/2026

14.4 Post exhibition adoption: 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

The purpose of this report is for Council to consider the submissions received in relation to the External Grant Management Policy whilst on exhibition and adopt the External Grant Management Policy.

The Draft Grant Management Policy was placed on public exhibition from 24 June 2026 to 22 July 2026. During this time 3 submissions were received. These are outlined in the Community Engagement Report (Enclosure 2). The policy changes were minimal and the External Grant Management Policy updated (Enclosure 1) is recommended for adoption.

Financial implication

There are no financial implications associated with the adoption of this Policy.

Risk implication

Adopting this Policy will ensure grant submissions align strategically, operationally and financially to Council's Delivery Program, Operational plan and adopted Budget.

Policy

Local Government Act 1993

Draft External Grant Management Policy

Consultation (internal)

Executive Leadership Team

Audit Risk and Improvement Committee

Governance Team

Manager Property and Commercial

Grants Officer

Communication/Community engagement

The draft External Grant Management Policy was placed on public exhibition from 24 June 2026 to 22 July 2026. During this time 3 submissions were received. These are outlined in the Community Engagement Report (enclosure 2).

Attachments

Nil

Enclosures

1 DRAFT External Grant Management Policy Updated 4/11/26⇨

2 Engagement Report - Draft External Grant Management Policy⇨

RECOMMENDATION

That Council:

1. Note the outcome of the public exhibition undertaken for the draft External Grant Management Policy.
2. Note that 3 submissions were received and are outlined in the Community Engagement report with no substantial changes required to the draft External Grant Management Policy.
3. Adopt the External Grant Management Policy.

Background

Council has developed the External Grant Management Policy to establish a consistent framework for the identification, application, management, reporting and acquittal of external grant funding opportunities. The Policy has been prepared to ensure that grant-funded projects and programs are aligned with Council's strategic priorities, Delivery Program and Operational Plan, and are supported by appropriate governance, financial management and accountability processes.

The draft Policy was developed following consultation with the Executive Leadership Team, the Audit, Risk and Improvement Committee, Governance Team, Manager Property and Commercial, and the Grants Officer. The Policy seeks to provide clear roles, responsibilities and approval processes for grant applications and the delivery of grant-funded projects across the organisation.

In accordance with Council's Community Engagement Strategy and legislative requirements, the Draft External Grant Management Policy was placed on public exhibition from 24 June 2026 to 22 July 2026 to allow community members and stakeholders the opportunity to provide feedback. During the exhibition period, three submissions were received. Feedback generally supported the establishment of a formal governance framework for external grant management, while also highlighting matters relating to communication and engagement requirements, approval thresholds, operational flexibility and the management of grant-funded projects. The submissions received and Council's responses are detailed below and in the Community Engagement Report (Enclosure 2).

Policy changes

Following consideration of the submissions received, minor amendments have been made to the draft Policy, including updates to the references and consultation sections to recognise Council's Community Engagement Strategy and the Communications and Engagement Team. No substantive changes to the policy's governance, approval or financial management provisions are proposed.

This report seeks Council's endorsement and adoption of the External Grant Management Policy, having regard to the feedback received during the public exhibition process.

14.5 Proposed Lease: Gerringong District All Sports Incorporated - Gerry Emery Reserve - Part Lot 601 DP 739447

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: 4.1.2.4 Development of Lease and Licence Policy for lessee and licencing in property.

Summary

The purpose of this report is to advise Council of the outcome of the public exhibition process undertaken for the proposed lease of the Gerry Emery Clubhouse, located at Gerry Emery Reserve, Gerringong, being Part Lot 601 DP 739447 to Gerringong District All Sports Incorporated (GDASI), and to seek Council's endorsement to enter into a lease agreement.

The proposed lease was publicly exhibited in accordance with Section 47A of the Local Government Act 1993. One submission was received during the exhibition period. The submission was supportive of the proposed lease and did not raise any significant objections to the proposal.

Following consideration of the submission received, it is recommended that Council proceed with the lease to GDASI for a period of five (5) years for the purpose of operating and managing the clubhouse and supporting community sporting and recreational activities from the site

Financial implication

The annual rental will be charged in accordance with Council's adopted Fees and Charges. Under the lease, GDASI will be responsible for operational costs including utilities, waste services, insurance and agreed maintenance obligations, while Council will retain responsibility for building insurance. These arrangements are consistent with Council's existing sporting facility lease agreements.

Risk implication

The proposed lease formalises occupation of the facility and clearly defines the responsibilities of Council and the lessee. It assists in managing governance, operational and asset risks through clear obligations relating to use, maintenance, insurance and compliance, while supporting the ongoing delivery of community sporting and recreational activities.

Policy

Local Government Act 1993

Public Land Management Policy

Lease and Licensing Policy

Sportsgrounds Community Land Plan of Management

Consultation (internal)

Director Corporate and Commercial Services

Manager Property and Commercial

Property Coordinator

Communication/Community engagement

The statutory process for the proposed lease of the Gerry Emery Clubhouse was undertaken in accordance with Section 47A of the *Local Government Act 1993* and publicly exhibited from 18 March to 16 April 2026. One submission was received supporting the lease and the continued use of the clubhouse for sporting and community activities, while requesting that any functions be managed to minimise impacts on nearby residents. This is outlined in the Community Engagement Report (Enclosure 1).

Attachments
Nil

Enclosures

1 Community Engagement Report - Proposed Lease - Gerringong District All Sports Inc⇨

RECOMMENDATION

That Council:

1. Note the outcome of the public exhibition undertaken for the proposed lease of the Gerry Emery Clubhouse situated on Part Lot 601 DP 739447, Bridges Road, Gerringong.
2. Note that one (1) submission was received during the exhibition period and that the submission was supportive of the proposed lease.
3. Endorse entering into a five (5) year lease with Gerringong District All Sports Incorporated for the occupation, operation and management of the Gerry Emery Clubhouse located on Part Lot 601 DP 739447.
4. Authorise the Chief Executive Officer to negotiate, finalise and execute all documentation necessary to give effect to the lease.

Background

At its Ordinary Meeting on 18 November 2025, Council resolved to commence the statutory process required to enter into an Agreement for Lease and subsequent Lease Agreement with Gerringong District All Sports Incorporated for the occupation of the Gerry Emery Clubhouse.

The clubhouse is located within Gerry Emery Reserve at Part Lot 601 DP 739447, Bridges Road, Gerringong. The facility supports sporting, recreational and community activities undertaken by GDASI and affiliated sporting organisations.

The proposed lease will provide long-term certainty regarding the management and occupation of the facility, clearly define maintenance and operational responsibilities, and support the ongoing provision of community sporting opportunities within the Gerringong area

Council resolved to commence the statutory process required to enter into an Agreement for Lease and subsequent Lease Agreement with GDASI for the occupation of the Gerry Emery Clubhouse.

In accordance with Section 47A of the Local Government Act 1993, the proposed lease was publicly exhibited from 18 March 2026 to 16 April 2026. The exhibition process included publication on Council's website, notification to adjoining landowners and signage on the subject land inviting public submissions.

Exhibition outcome

Council received one submission during the exhibition period.

The submission expressed support for the proposed lease and the ongoing use of the clubhouse as a sporting facility. The submission also requested that the facility continue to be used primarily for sporting and community-related activities and that any functions or presentation events be conducted in a manner that minimises impacts on nearby residents.

Summary of submission

Issue raised	Council response
Support for the proposed lease provided the facility continues to be used for sporting and community purposes and not private functions.	The proposed lease restricts the use of the premises to approved sporting and community-related activities. Any alternative use would require Council approval.
Concern regarding noise associated with presentation nights and similar events.	The lessee will be required to comply with all applicable legislation, lease conditions and Council requirements. Appropriate management of activities to minimise unreasonable impacts on neighbouring properties will remain the responsibility of the lessee

Conclusion

The public exhibition process has been completed in accordance with the requirements of the *Local Government Act 1993*.

One submission was received during the exhibition period. The submission supported the proposed lease and raised matters relating to the continued operation of the facility, which can be appropriately addressed through lease conditions and ongoing facility management.

As no objections were received, the statutory requirements have been satisfied and Council may proceed with the proposed lease. It is therefore recommended that Council endorse the granting of a five (5) year lease to Gerringong District All Sports Incorporated for the operation and management of the Gerry Emery Clubhouse. The Chief executive Officer can finalise and sign the lease.