

KIAMA LOCAL STRATEGIC PLANNING STATEMENT

Technical Paper Three

Economic Growth & Jobs



RESPECT



INNOVATION



INTEGRITY



TEAMWORK



EXCELLENCE

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Kiama Local Strategic Planning Statement - Technical Paper Three – Economic Growth & Jobs

Key Emerging Economic Policy Outcomes

- Support development of:
 - Visitor Economy
 - Health, disability and aged care
 - Knowledge services
 - Education
 - agriculture
- Implement Kiama Town Centre Outcomes
- Kiama Harbour Activation
- Bombo Quarry remediation and development
- Identify more employment land

1.0 Purpose

Kiama Council has started the process of developing a local strategic planning statement (LSPS) that will set out:

- a 20 year vision for land use in the local area
- the special characteristics which contribute to local identity
- shared community values to be maintained and enhanced
- how growth and change will be managed into the future.

Once the LSPS is in place, it will shape the comprehensive reviews of the Kiama Local Environmental Plan 2011 and the Kiama Development Control Plan 2012. It will also provide a solid foundation for the review of Council's Community Strategic Plan that is scheduled for 2020-21.

Engaging with the community and stakeholders about values and priorities for Kiama is a key input into the development of the LSPS.

Through November 2018, a number of workshops were held to:

- To inform the community and stakeholders about the LSPS
- Identify key community issues and values
- Develop a preliminary high level strategic vision/narrative for the Municipality
- Prioritise the key themes and responses that will guide more detailed analysis and provide a framework for the development of the Statement.

2.0 What did the Kiama community say about the economy?

The community acknowledged Kiama's strong reliance on tourism and reflected on the more diverse economy and employment opportunities that existing in the past including a better range of shops in the town and a stronger agriculture sector.

The community wants to see a more diverse and sustainable economy that balances tourism with growth in the commercial and clean technology sectors.

3.0 What does the Community Strategic Plan say about the economy and jobs?

The LSPS has a strong relationship with the Kiama Community Strategic Plan (CSP). It needs to be consistent with the existing CSP but importantly, it can provide context and new policy ideas to be considered in the next CSP which will be finalised by September 2021.

Objective 3 of the CSP is “A diverse, thriving economy” which includes a commitment to three key strategies:

3.1: Promote and encourage business development and economic prosperity in the local area

3.2: Council’s procurement strategies recognise and support the local economy

3.3: Promote and support tourism in the local area

The Delivery Program and Operational Plan provide details about the strategies and activities that will achieve these CSP priorities. Some of the initiatives to support a diverse and thriving economy include:

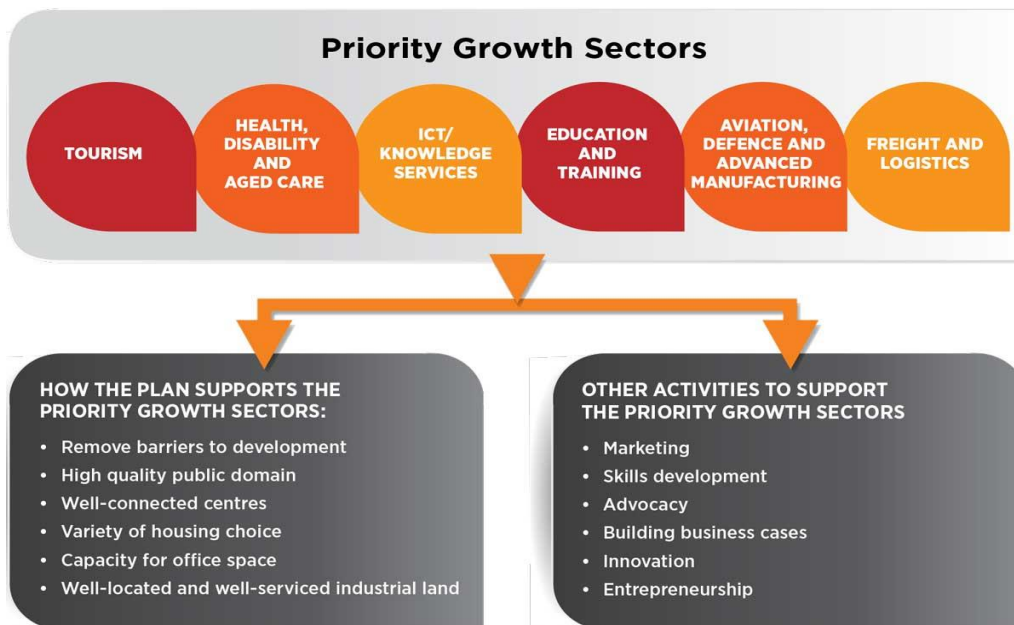
- Implementing the Kiama Economic Strategy, including undertaking a demand study to ensure an adequate supply of employment lands to meet future needs;
- Encouraging business innovation, creativity and diversification opportunities; and
- Maximising the tourism economy through the promotion of Kiama as a destination and the provision of product options and experiences.

4.0 How does the Illawarra Shoalhaven Regional Plan apply?

The LSPS is required to be consistent with any strategic plan applying to the area. The Illawarra-Shoalhaven Regional Plan is the overarching regional policy document guiding strategic land use planning in the region.

We have highlighted the following policy areas that are particularly relevant to economic development and job creation in Kiama.

Goal 1 – a prosperous Illawarra-Shoalhaven builds on the region’s existing economic strengths and identifies the following priority growth sectors:



Kiama has the right conditions and attitude to continue to participate in and grow the Tourism; Health, Disability and Aged Care; ICT/Knowledge Services; and Education and Training sectors.

Action 1.3.5 – the Marine Based Tourism Strategy has been developed to guide governments to fulfil the long term potential of the region’s marine environments. The Strategy acknowledges that Kiama has the potential to upgrade the foreshore, harbour and surrounding precincts to deliver its tourism development potential.

Action 1.4.2 – the development and servicing of new industrial land. Supporting growth in the industrial sector requires an appropriate supply of zoned and serviced employment lands. As Bombo Quarry nears the end of this extractive life, there will be an opportunity to secure more land for residential, commercial and/or industrial purposes in the future as part of a master plan covering a range of uses for the area.

Action 3.3.2 – support Council-led revitalisation of centres. Building socially inclusive, safe and healthy communities is one of the priorities of the Regional Plan and the revitalisation of centres is one of the actions that support this directive.

5.0 What is the Kiama Regional Economic Development Strategy?

Last year, the NSW Government’s Centre for Economic and Regional Development released the Kiama Regional Economic Development Strategy 2018 – 2022. The economic vision for Kiama under the Strategy is:

To be a strong vibrant economy outside of current holiday peaks with carefully managed growth and employment opportunities in tourism, agribusiness and other emerging industries and to capitalise on the region’s unique opportunities in digital connectivity.

The strategy has noted that Kiama has the following strengths that could support economic growth:

- Water, climate and soils that support farming
- Location, accessibility and lifestyle which makes Kiama an attractive place to live and work in

- Coastal, rural and natural environments that support tourism
- Healthcare infrastructure (Kiama Integrated Primary and Community Health Centre and Kiama Aged Care Centre of Excellence) which supports the aged care sector
- Labour resources, including an educated population, that can supply the labour market
- Heritage appeal that supports tourism
- Local institutions, such as the Council, business chamber, Destination Kiama, NSW Farmers and Regional Development Australia Illawarra, provide strong relationships to support local businesses
- Telecommunications infrastructure ('fibre to the home') attracts professional services and home based businesses.

The Strategy also notes that Kiama has specialisation opportunities in tourism; farming; residential, medical and health care services; arts and recreation; and professional, scientific and technical services sectors.

There are three key elements of the strategy:

1. **Drive tourism growth beyond its current seasonal peak and develop opportunities that will grow overnight visitor expenditure.** This includes investing in things like activation of the harbour, the arts and culture precinct, amenities near tourist attractions, events and assessing the feasibility of a conference centre.
2. **Enhance the liveability of Kiama and capitalise on its unique opportunities in digital connectivity.** This includes investing in things like the Blue Haven Bonaira, Kiama centre parking, enhancing recreation facilities, electric cars recharge points and examining the feasibility of a driverless shuttle bus service.
3. **Support growth in key industries and encourage twenty-first century industry and business models through well planned urban and rural land development.** This includes investing in things like agricultural diversification, efficient transport connections, Bombo Quarry redevelopment and exploring ways to target ICT industry.

NSW 20-Year Economic Vision for Regional NSW

Released at a similar time to the Kiama REDS, the NSW State Government's 20-Year Economic Vision for Regional NSW identifies Kiama Council in the Metro Satellite category of functional economic regions (FER). This category has been applied to those areas of relatively high residential density and economic growth and which have above average population growth rates.

Council has formally expressed concern that this categorisation does not reflect the current or future desired character of Kiama.

6.0 What are some key statistics of Kiama's economic profile?

Kiama Coast & Country

A great place to live, invest, work and play

Kiama's **strong economy** is driven by a work-ready, highly skilled and educated workforce. Kiama has grown to encompass internationally-focussed services industries and first class tourism facilities.



Estimated
Resident
Population (2018)
23,006



Projected Population (2036)
27,100



Median Age is **47**
(38 for NSW)

2.0%

2018 Unemployment Rate
(4.8% NSW)



Professionals & Managers
40% of Workforce

Highest Jobs Growth



Construction
+185 jobs
(2011 to 2016)



Number of Jobs
5,620



Number of Businesses
1,920

40.3%

of businesses have a turnover
of \$200,000 or more



Gross Regional Product
\$890.2 million



The **Tourism** industry is
Kiama's largest employer

Construction
contributes
\$105 million
to total value-added



\$682
Median
Weekly
Personal
Income

\$500
Median Weekly Mortgage
Repayment
\$395
Median Weekly Rent

73.0%
of dwellings are
owned outright
or with a
mortgage



Key Drivers of Jobs Growth in Kiama:

Construction

Accommodation & Food Services

Professional, Scientific & Technical Services

Public Administration & Safety

Top 5 Employment Sectors in Kiama

1. Tourism
 - 18.2% (double regional %)
2. Construction –
 - 13.9% (higher than regional %)
3. Health care and social assistance
 - 10.9% (lower than regional %)
4. Retail
 - 10.46% (comparable with regional %)
5. Education and training
 - 8.8% (lower than regional %)

Top 5 Employment Sectors of Kiama Residents

1. Health care and social assistance
2. education and training
3. construction
4. public administration and safety
5. accommodation and food services

Sectors that are high compared to the Region

- Tourism
- construction
- agriculture

Sectors that are low compared to the Region

- Health care and social assistance
- Manufacturing

Gross Regional Product

- The Gross Regional Product per person in Kiama is \$37,344 which is significantly less than the \$71,991 per person for NSW
- The net value of agricultural exports from Kiama is \$26M

Economic Output by Industry

1. Construction – 23.7%
2. Rental, hiring and real estate services – 16.3%
3. Tourism – 10.6%
4. Professional, scientific and technical services – 6.5%
5. Financial and insurance services – 5.2%

7.0 What sectors should we encourage growth in?

A majority of Kiama's workforce commute outside the area to work (57%), in particular travelling to jobs in Wollongong and Shoalhaven. While it is fortunate that our residents have access to jobs in neighbouring council areas, increasing the number and diversity of jobs in Kiama would support an optimistic attitude to the future of the area. In thinking about the priorities discussed in the Illawarra-Shoalhaven Regional Plan and the Kiama Regional Economic Development Strategy, we have identified a number of sectors that we should target.

Visitor Economy (Tourism): this sector is already a significant contributor to local employment with 18.2% of local jobs being in tourist related sectors. Council has developed a tourism opportunity plan that seeks to identify new tourism experiences and infrastructure requirements and to facilitate and encourage investment. Council is aware that the swelling of our population during the peak holiday season impacts on the amenity of local residents and so the policy focus is to increase the value of tourism rather than to further increase visitor numbers.

One of the challenges facing the tourism sector is the availability of dedicated tourist accommodation and understanding the role of short term holiday rentals. Any proposal to introduce a dedicated tourist accommodation zone would first require industry representatives to undertake research to justify the introduction of a new zone, consider appropriate properties for application of the new zone, consider implications of landowner expectations and consistency with State planning directions and policies.

Health, Disability and Aged Care: With around an additional 3,750 residents aged 60+ over the next 20 years, employment and demand for space in the allied health and other aged care/seniors services will increase. Council's own Blue Have Care is a major local player in this sector and offers a true continuum of aged care services and a wide range of disability services for people in the Illawarra region.

ICT/knowledge services: Due to the liveability and attractiveness of residing in the Kiama LGA, this is having the effect of business owners wanting to locate and grow their technology businesses which has seen significant growth in ICT jobs growth which brings with it higher value jobs and associated economic multiplier benefits.

Education: the nature of jobs in this sector would complement and be in alignment with our current labour force. We have a comparatively high proportion of our labour supply having completed year 12 or equivalent and a high proportion hold formal university qualifications. There are 1,238 of our residents currently employed in the Education and Training sector making it the second highest occupation of employment of our residents behind the Health Care and social assistance sector (1,343).

Agriculture: Kiama has a strong history in agriculture however recent industry adjustments have changes the viability of traditional farming businesses. New farm based enterprises have the potential to grow the local economy however any reform in this sector needs to ensure the long term protection of agricultural land as a resource for food and fibre production.

In additional to the key sectors discussed above, Kiama is also well placed to support economic activity and job creation in other sectors such as the creative and cultural arts economy and the continued importance of retail, construction and public administration to local employment.

8.0 How can Kiama support marine based tourism?

As mentioned earlier, the NSW government saw an opportunity to develop marine based tourism in the region and released the Marine Based Tourism Strategy to guide this work. Kiama will work with the State government on the following actions from the Strategy:

- explore opportunities for harbour activation through the enhancement of working waterfront space, moorings, storage, support services and amenities.
- explore the potential to better develop assets such as surf life saving clubs and lighthouses as tourism experiences
- exploring a range of opportunities that leverage recreational fishing, nature based experiences, coastal touring, aquaculture and eco-accommodation
- identify infrastructure upgrades required to enhance the touring experience.

9.0 How do Kiama's centres support economic development and jobs?

Kiama is a major town centre servicing the local area and surrounding suburbs, providing a range of business, retail and entertainment uses including supermarkets, health and other services. Kiama has a strong existing cultural heritage and tourism function that will continue to support development and performance. Kiama includes some higher density residential development. Kiama train station is located within the Kiama town centre.

Gerringong is a local town centre providing a range of business and retail uses, including supermarket, health and other services. Gerringong is reliant on higher order centres for shopping and employment.

Jamberoo is a village centre that supports the daily needs of local residents. Whilst renewal may occur in Jamberoo over time, development will be at an appropriate scale to protect and enhance its character.

9.1 Kiama Town Centre

According to the 2019 Kiama Town Centre Economic Study, Kiama has a highly educated workforce which has the potential to translate into business opportunities that would require commercial floor space in the Kiama Town Centre.

Kiama also has a higher than average household income which is an indication of relatively high capacity for discretionary spending. Increasing the availability of retail space in the centre would provide investment opportunities that could capitalise on the spending potential of locals.

There is a strong preference for commercial businesses to be located in the Kiama town centre - over 44% of the commercial related jobs generated in the local government area are located in the Kiama town centre. Demand for office space of 200m² and over is particularly strong, however many of these potential new businesses don't require ground floor retail space and hence unwilling to pay a retail rate of rent.

The business zones in the Kiama Local Environmental Plan 2011 permit shop top housing. This is seen as a more desirable land use compared with multi-level commercial developments. In recent times existing double storey commercial buildings have been replaced with shop top housing developments that only comprise a relatively small commercial undertaking. Shop top housing can also lead to conflicts between residential occupants within a commercial setting. The emergence of shop top housing should be investigated.

While there is strong demand for retail and commercial uses in the Kiama town centre, there is an undersupply of suitable space:

- retail demand modelling has found that over the next 18 years there will be a deficit in retail space in the town of around 6,630m².
- by 2036 there will be an undersupply of commercial space in the town of approximately 2,000m².

Due to the shortage of larger commercial floor spaces, there have been at least three business in growth phase that have relocated to Wollongong with a loss of approximately 42 local jobs.

It is so important to ensure that future planning for the town centre allows for this growth and expansion as these jobs are high net value jobs contributing to greater employment diversity and important economic generators.

Over half of retail and accommodation/food service jobs generated in the LGA are located in the Kiama Town Centre highlighting their preference to be located in or close to the town centre.

The creation of night time economy initiatives in the town centres of Kiama and Gerringong would provide additional vibrancy and employment opportunities for both locals and visitors alike. The night time activities would ideally not just focus on food and beverage options, but also activities such as library, cultural and recreational activities.

The central location of the Council has a beneficial economic effect to surrounding businesses with increased activation of the town centre.

9.2 Gerringong Town Centre

The Gerringong Charrette took place in 1995 to plan for the future of the town, including the ex-Gerringong school site, the town centre itself and existing and proposed urban release areas. The objectives of the Charrette results included:

- support Gerringong as a cohesive, diverse, self-contained community
- support urban containment and consolidation
- strengthen the heart of the town and define its boundaries
- support a mixed use, self-contained town
- support live/work and other compatible employment opportunities throughout Gerringong
- support environmental preservation and protection
- support access, proximity, mobility and on-street shared parking
- integrate the former school site into the heart of the town
- affect feasibility

Many of the outcomes from the Charrette have been implemented, including the new town park, Blueberry Hill development, Noble Street, the IGA supermarket and Elambra estate.

However, in recent discussions with Gerringong business owners and residents, concern has been raised that the town is struggling and is in need of some revised planning to consider issues such as parking, traffic/access, economic impact of the Highway upgrade and a response to recent higher density commercial and residential developments.

10.0 Should we be planning for more industrial land?

Kiama has just 3.58ha of land zoned for light industry – this represents 0.014% of the total area of the LGA.

The demand for light industrial land and premises in Kiama is solid with a number of businesses having indicated that they wish to expand. At present there is a lack of industrial zoned land in Kiama to accommodate this demand which is forcing businesses that need additional space (such

as roof tilers, builders, boat builders and the like) to relocate to industrial and business parks in neighbouring local government areas.

The future re-use of Bombo Quarry following the finalisation of extractive activities provides an exciting opportunity to attract investment into the employment, commercial and tourism sectors whilst also providing new local housing opportunities. The Council will work with the land owners and State agencies to progress the strategic planning for the future of the site to achieve an appropriate balance between economic and residential uses for the benefit of the local community.

While the Bombo Quarry site represents a once-in-a-generation opportunity for a transformation to the local economy, it may also be appropriate to consider identifying a more modest area of land that is suitable for small scale service industrial uses in the short to medium term.

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