
KIAMA HOUSING STUDY – PROPOSED REZONING OF “KIAMA WEST” SITE

TRADERS IN PURPLE
AUGUST 2022



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DOCUMENT CONTROL

Job ID: J002278
 Job Name: Kiama Housing Study in Relation to the “Kiama West” Site
 Client: Traders in Purple
 Client Contact: Thomas Zdun
 Project Manager: James Popovic
 Email: james.popovic@aecgrouppltd.com
 Telephone: 61 2 9283 8400
 Document Name: DRAFT AEC Report - Kiama Housing Study_V1.2 - Draft
 Last Saved: 23-Sep-22

Version	Date	Authored	Reviewed
Draft	19 August 2022	JP	FI
Draft	8 September 2022	JP	JP
Final			

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EXECUTIVE SUMMARY

BACKGROUND

Traders in Purple (“Traders”) are in the preliminary stages of preparing background studies for a Planning Proposal seeking to rezone a substantial property holding located at the western edge of the Kiama town centre urban area. This property referred to as the “Kiama West” site (‘the Site’). We understand the Site is controlled by Traders.

The proposed development of the Site has the potential to deliver approximately 1,142 residential dwellings comprising a mix of low density, large lots, social housing and small lots (affordable housing). Also proposed, are low impact eco-tourism uses, localised retail uses, and educational uses proposed as a horticulture and agricultural college/ institute. The Proposed Project is likely to be delivered over 7 to 10 years and will be staged according to market demands.

PURPOSE & APPROACH

AEC Group (AEC) have been engaged by Traders to prepare a Kiama Housing Study (the Study). The focus of the Study is to demonstrate how the Kiama West site can potentially assist Kiama Municipal Council (KMC) meet its housing target of ~3,771 dwellings by 2041 in accordance with Department of Planning & Environment (DPE) Implied Dwelling Demand figures.

KEY FINDINGS

- Kiama LGA may potentially find itself facing a critical undersupply of housing over the next 5-15 years. Bombo Quarry has been touted as a potential saviour that can address the LGAs looming housing issues. However, there remains significant timing risk as to when Bombo Quarry could potentially be redeveloped post legislative rehabilitation works.
- Projected population growth for Kiama LGA (between 2021-41) has increased from the 2019 forecast of 3,065 residents to 6,917 residents (2021 forecast) reflecting a substantial increase of +126% (or an additional 193 residents per annum).
- Based on the 10-year historic average of 81 per annum for infill dwelling completions, AEC calculate 1,620 infill dwellings are ‘likely’ to be delivered between 2021-41. The identified release areas (excluding Bombo Quarry) have the potential to deliver approximately 734 dwellings (excluding the West of Elambra site) also during the period between 2021-41. Combined, the release areas and infill redevelopment sites have potential to deliver a total of approximately 2,354 dwellings to 2041, falling short of the DPE implied dwelling demand figures of 3,771 by -1,417.
- Kiama Council advise the wastewater network for Jamberoo is now at full capacity and no additional connections to the wastewater network can be made, likely to restrict delivery of new additional housing in Jamberoo.
- Given the constraints the Bombo Quarry site faces in terms of rehabilitation requirement, legislation, timing and its isolated location (distinct separation from key town centres/amenities), it would appear more appropriate re-adaptive uses for the site align more with that of employment and/ or industrial based activities.
- The process to rezone and redevelop a quarry is complex and can be time consuming, particularly to ‘make good’ and ‘rehabilitate’ for future uses (especially where housing is to form part of a proposal). This can result in significant delays and further decreasing any opportunity to deliver potential housing on the site into the future.
- The 10-year historic average for dwelling completions (infill and greenfield) throughout Kiama LGA is 125 dwellings per annum (2010-2020). This is materially lower than what is required between 2021-41 based on DPEs implied dwelling demand of 3,771 (equating to 189 dwellings per annum).
- The Kiama West site has the potential to meet Kiama LGAs housing supply needs, assist in meeting DPE implied dwelling demand figures, provide a range of suitable housing typologies to the community (as well as affordable and social housing), ‘unlock’ formerly privately held land as open space for community use, provide jobs to the region and ensure the regions long term sustainability and economic strength is supported by the proposed college.

Potential Infill and Greenfield Dwellings that can be Delivered between 2021-2041, Kiama LGA

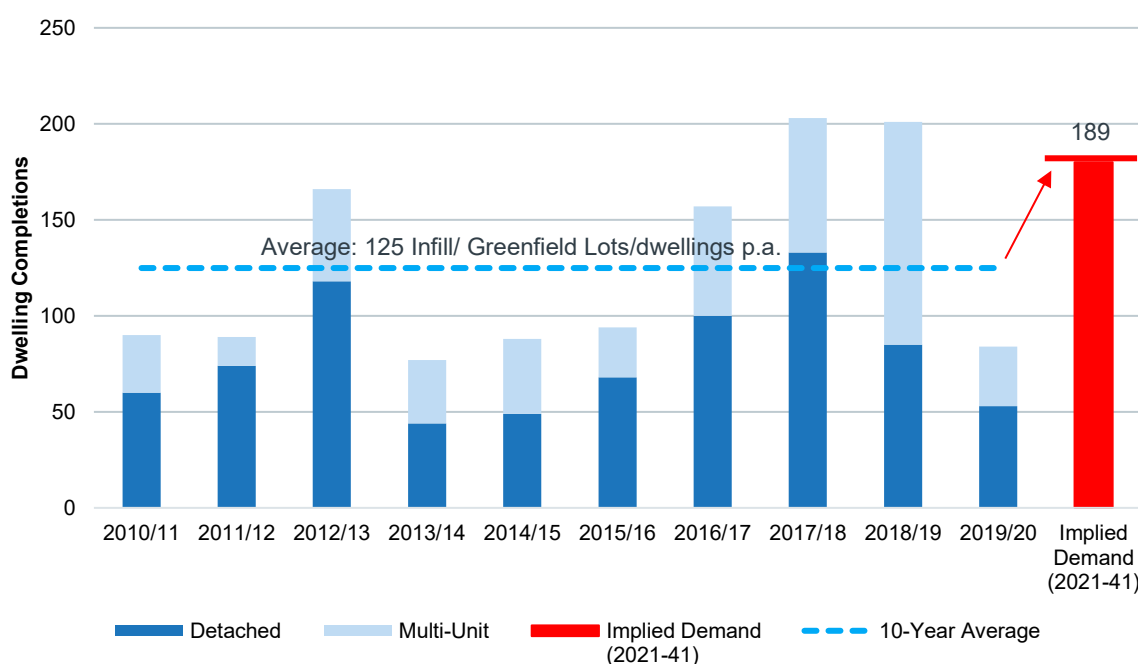
Potential Dwellings Deliverable between 2021-41	
Release Areas – Number of Lots/Dwellings	734*
Plus: Likely Infill Dwelling Delivery	1,620**
Total	2,354
DPE Implied Dwelling Demand	3,771
Gap	-1,417

Source: AEC.

* Comprises all identified expansion areas per the LSPS, excluding Bombo Quarry and West of Elambra.

** Historic infill development reflects an average of 81 dwellings delivered per annum. Over a 20-year timeframe this equates to 1,620.

Historic Dwelling Completions & Implied Dwelling Demand per Annum (2021-2041), Kiama LGA



Source: Illawarra-Shoalhaven Urban Development Program Dashboard (2022).

As of 13 April 2022, the Greater Cities Commission has brought together the Lower Hunter and Greater Newcastle, Central Coast, Greater Sydney and Illawarra-Shoalhaven regions to create a ‘globally competitive Six Cities Region’¹. The objectives of which include ‘more people across the six cities working within 30 minutes of where they live, increased access to homes that families can afford, more equal access to higher education and training opportunities’.

Given Kiama LGA forms part of the Illawarra Shoalhaven region, which is one of the identified cities, it is likely DPEs implied dwelling demand and population projections may potentially be revised upwards resulting from this inclusion.

¹ <https://greatercities.au/thought-leadership/six-cities-region-explained>

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TERMINOLOGY

Term	Reference
Council/ KMC	Kiama Municipal Council
COVID-19	Coronavirus disease (COVID-19)
DCP	Development Control Plan
DPE	NSW Department of Planning and Environment
FSR	Floor Space Ratio
GFA	Gross Floor Area
Ha	Hectares
ISR	Illawarra Shoalhaven Region
KDPA	Kiama dwelling potential analysis
LEP	Local Environmental Plan
LGA	Local Government Area
LSPS	Local Strategic Planning Statement
SIC	Special Infrastructure Contributions
The Site	The Kiama West Site
Traders	Traders in Purple
UDCP	Urban Design Concept Plan

1. INTRODUCTION

1.1. BACKGROUND

In accordance with the Kiama Local Strategic Planning Statement (LSPS), a number of sites have been identified for potential future expansion. In total, there are 9 sites with a combined land area of 178.9 hectares. The Bombo Quarry site is the largest at 108.3 hectares, however given the quarry is yet to be fully exhausted of quarrying material and when taking into consideration the requirement of quarry rehabilitation post usage, the timing of delivery for any potential housing remains a long term proposition.

Previously prepared population forecasts (by DPE) for 2019 concluded a number of 3,997 additional residents and implied dwelling demand for a further 1,990 dwellings by 2041. The most recent figures prepared by DPE indicate a number of 8,737 additional residents (+119%) and implied dwelling demand of 3,771 dwellings (+90%) by 2041.

This material forecast increase for both population growth and implied dwelling demand indicates Kiama LGA has insufficient planning in place to cater for these increases, even when including the proposed release areas.

We understand Traders in Purple (“Traders”) are in the preliminary stages of preparing background studies for a Planning Proposal seeking to rezone a substantial property holding of 114.7 hectares located at the western edge of the Kiama town centre urban area. Ownership of the Kiama West site is controlled by Traders as we understand.

The proposal has the potential to deliver an estimated ~1,142 residential dwellings comprising a mix of low density, large lots and small lots (affordable housing). Also proposed, are low impact eco-tourism uses, localised retail uses, and educational uses proposed as a horticulture and agricultural college/ institute. The Proposed Project is likely to be delivered over 7 to 10 years and will be staged according to market demands.

An illustrative concept has been developed and various other stakeholder engagement materials are being prepared to highlight the economic and social benefits of the project. The Study will measure the potential future economic and financial benefits that the project can deliver.

1.2. PURPOSE OF THIS STUDY

AEC Group (AEC) have been commissioned by Traders to inform the preparation of a Housing Study (the Study) with a focus on how the Kiama West site can assist in Kiama Municipal Councils (KMC) housing strategy that requires them to meet a housing target of ~4,000 dwellings by 2041. Within this Study, AEC examine:

- The Kiama West Sites overall merit as a proposed candidate for rezoning (for residential/ mixed-uses/ social infrastructure).
- The need for suitable sites within the Kiama LGA to be rezoned to allow for increased housing.
- How can affordability factors be addressed with new development.
- Review of the theoretical supply capacity of the Kiama LGA and identify any potential shortfalls or hindrances to increased supply.
- Historic Development Approvals and Completion Rates across the region and has demand been satisfied.
- Implications for the Kiama LGA region if housing issues are not addressed.
- Analysis of identified release areas including Bombo Quarry.
- Potential alternate uses for Bombo Quarry other than residential.

2. ‘KIAMA WEST’ SITE PARTICULARS

2.1. LOCATION

Locational/ Site Attributes	
Position	<ul style="list-style-type: none"> The Site is situated at the western periphery of the established settlement of Kiama (and partially within the adjoining suburb boundary of Jerrara), on the NSW south coast. It straddles existing low density residential development and is bound by Greyleigh Drive (to the east), Jamberoo Road (to the north), Jerrara Road/ Long Brush Road (to the west) and Old Saddleback Road (to the south).
Current Zoning	<ul style="list-style-type: none"> RU2 Rural Landscape (predominantly). E2 Environmental Conservation (partially).
Surrounding context	<ul style="list-style-type: none"> Immediate surrounding development to north, west and south is of a rural nature. To the immediate east is predominantly comprised of low density residential housing.
Public transportation	<ul style="list-style-type: none"> Shellharbour to Kiama (loop shuttle bus service). Heavy rail – Kiama Train Station (~2.5km distance by road). Other forms of bus services (private and public).
Distance to major centres	<ul style="list-style-type: none"> Situated ~2.5km (by road) south-west of Kiama Town Centre. ~40km south by road from Wollongong and ~123km south by road from Sydney CBD.
Topography	<ul style="list-style-type: none"> Undulating throughout, generally sloping downwards in sections to Spring Creek.
Utilities	<ul style="list-style-type: none"> Assumed the Site has access to water and electricity.
Accessibility	<ul style="list-style-type: none"> Access to the Site is assumed via Greyleigh Drive, Jamberoo Road, Jerrara Road/ Long Brush Road and Old Saddleback Road.

Source: AEC, Traders in Purple (2022).

2.2. LAND DESCRIPTION

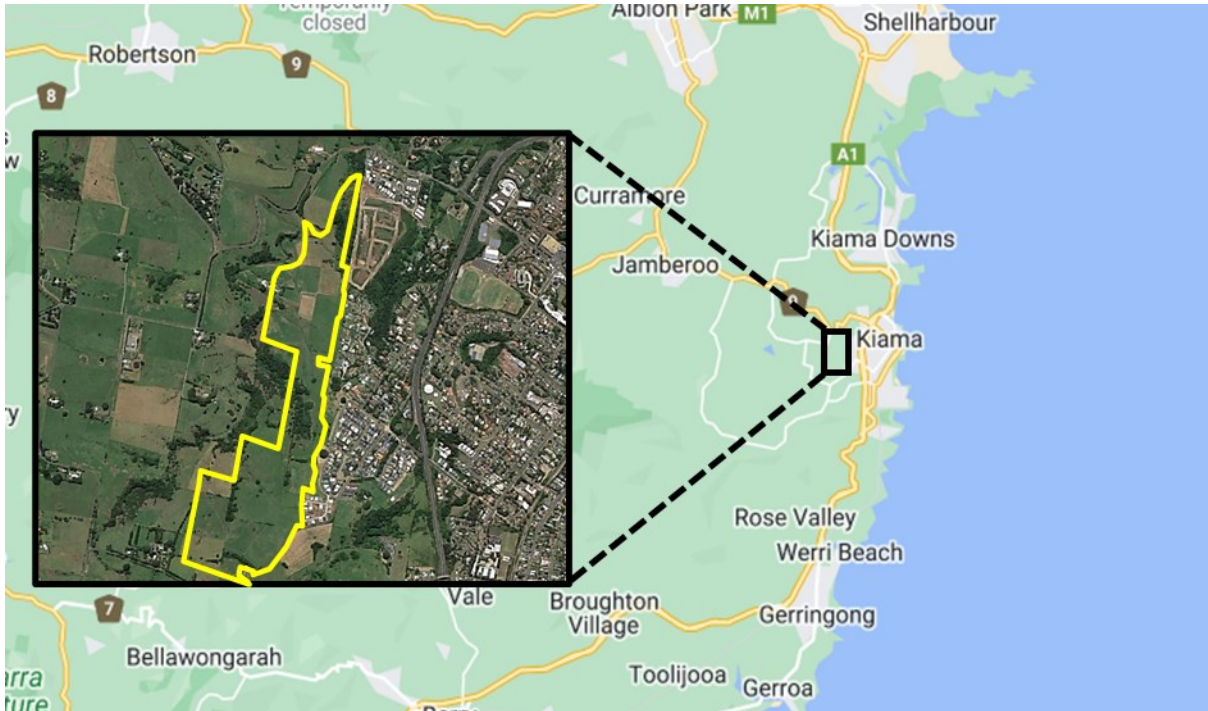
The Site comprises a series of adjoining properties with a total combined land area of approximately 114.70 hectares. The land is predominantly utilised as private grass farmlands with a historic homestead known as ‘Greyleigh’ providing short stay accommodation.

Table 2.1: Title Description and Total Land Area

Address	Legal Description (Lot & DP)	Registered Proprietor	Area
103 Jamberoo Road, Kiama	187/751279 and 102/1176643	Kiama Estate Pty Ltd	40.25 Ha
33 Greyleigh Drive, Kiama	156,183,185,186,188,189/751279; 1/995058; 1/1003719; 1320/1060995; 2/1135218 and 1/1178500	Ocean Farm Pty Ltd	36.63 Ha
177 Long Brush Road, Jerrara	201/1148007	Ocean Farm Pty Ltd	37.82 Ha
Total			114.70 Ha

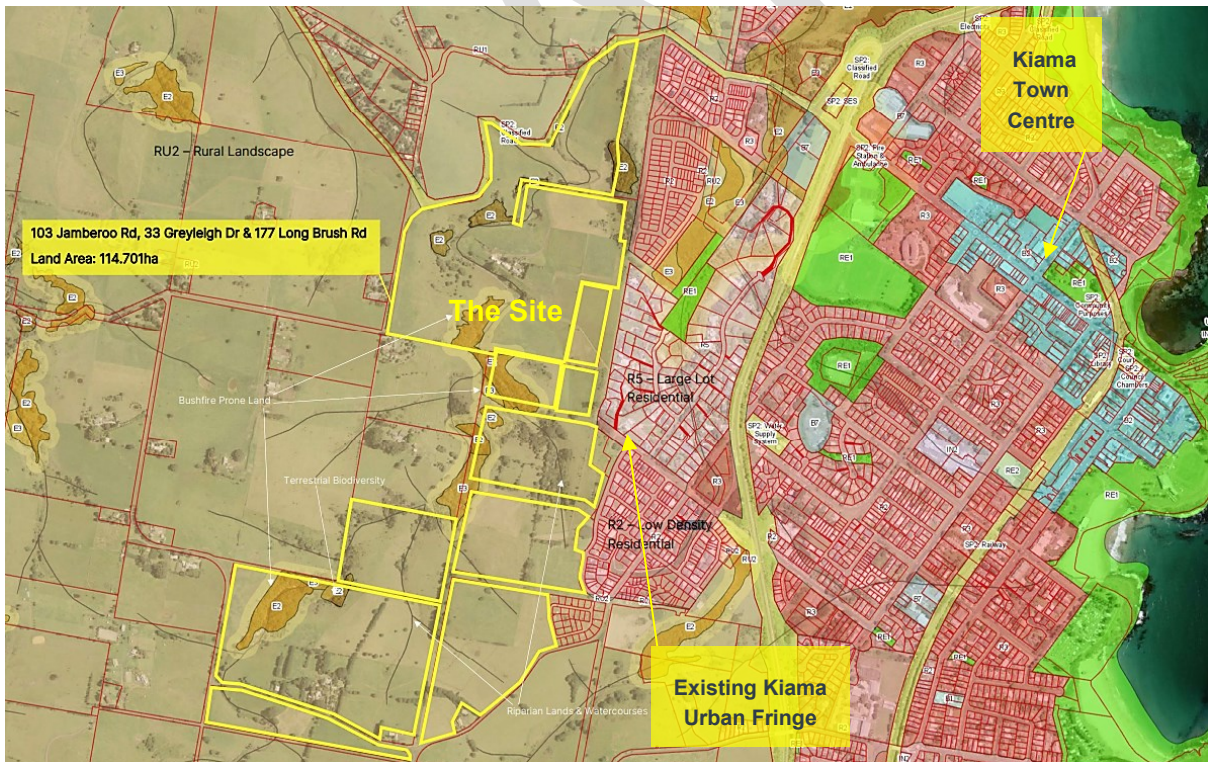
Source: PriceFinder, Traders (2022).

Figure 2.1 Location Map



Source: Google maps (2022).

Figure 2.2: Approximate Site Boundaries



Source: Traders in Purple (2022).

3. KIAMA LGA AREA PROFILE

3.1. KIAMA LGA SUMMARY

The Kiama LGA is located on the south coast of New South Wales (NSW) in the Illawarra Shoalhaven Region (ISR) and now forming part of the “Six Cities” strategy implemented by the NSW government. Kiama LGA is situated ~40km south of Wollongong and ~123km south of the Sydney CBD. Kiama is an important regional centre in the ISR and is the largest centre between Shellharbour City Centre and Nowra town centre. The Princes Highway is the primary arterial road servicing the LGA. Railway travel is available via the South Coast rail line however services are less frequent to those provided to Wollongong and Shellharbour stations.

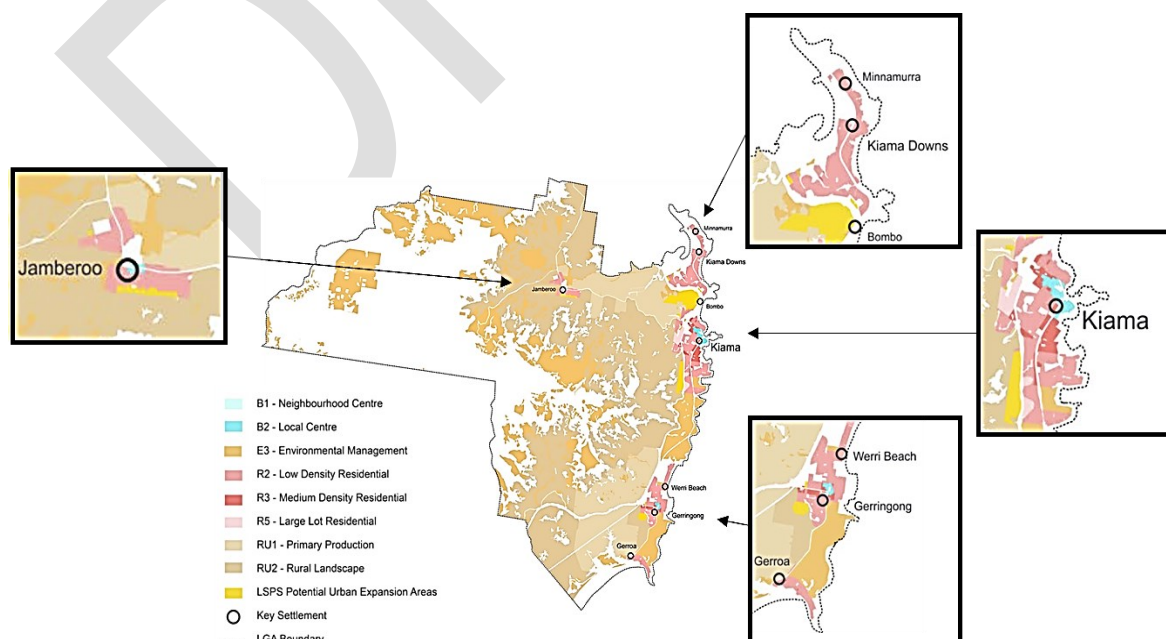
Table 3.1: Kiama LGA Key Attributes

Kiama LGA Summary Attributes	
Broader region	<ul style="list-style-type: none"> • Illawarra-Shoalhaven
Nearest regional centre	<ul style="list-style-type: none"> • Wollongong
Size (area)	<ul style="list-style-type: none"> • 258km²
Main commercial centre	<ul style="list-style-type: none"> • Kiama (primary) • Gerringong (secondary)
Public Transportation	<ul style="list-style-type: none"> • Train (electrified) – Minnamurra, Bombo and Kiama • Train (non-electrified) – Gerringong • Bus services
Key attractions	<ul style="list-style-type: none"> • Rural scenery • Vibrant town centre in Kiama • Kiama Blow Hole • Numerous beaches/ coastal attractions
Land Use Characteristics	<ul style="list-style-type: none"> • ~67% of the land in Kiama LGA is zoned for either primary production, environmental conservation and/ or recreation uses.

Source: KMC, AEC, Studio GL (2022).

The majority of land within Kiama LGA (~67%) is zoned for either primary production, environmental conservation and/ or recreation uses. Land suitable for low, medium, high residential density land uses (including mixed use but excluding rural zoned land) comprises ~33% of total land area. Key settlements within Kiama LGA include Kiama, Kiama Downs, Minnamurra, Jamberoo, Gerroa and Gerringong as highlighted in Figure 3.1.

Figure 3.1: Key Settlements Within Kiama LGA



Source: Studio GL (2022).

3.2. KIAMA LGA KEY SETTLEMENTS

Kiama LGA comprises six key settlements being Minnamurra, Kiama Downs, Kiama, Gerringong, Gerroa and Jamberoo. Kiama is the largest with approximately 7,904 residents and 4,019 private dwellings (as at the 2021 Census date). The Site is situated immediately west of Kiama’s existing urban development forming a natural progression for any further potential expansion. A brief composition of each settlement follows in Table 3.2.

Table 3.2: Key Settlement Composition

	Minnamurra	Kiama Downs	Kiama	Gerringong	Gerroa	Jamberoo
Existing Residential Dwelling Data (% of Total Dwellings)						
Detached Residential Dwellings	251 (85%)	1,619 (93%)	1,795 (55%)	1,174 (79%)	193 (81%)	642 (96%)
Semi-Detached /Duplex Dwellings	36 (12%)	101 (6%)	780 (24%)	224 (15%)	20 (58%)	20 (3%)
Flats or Apartments	3 (1%)	25 (1%)	621 (19%)	79 (5%)	7 (3%)	3 (0.4%)
No. of Residents	804	5,087	7,904	4,165	571	1,910
Total Private Dwellings	366	1,957	4,019	1,851	521	775
Zoned Land Analysis (% of Total Area)						
B1 Neighbourhood Centre	1,204 m ² (0.06%)	7,141 m ² (0.18%)	6,319m² (0.1%)	6,069 m ² (0.1%)	1,172 m ² (0.01%)	-
B2 Local Centre	-	-	25 Ha (2.5%)	6 Ha (0.6%)	-	2 Ha (0.04%)
R2 Low Density Residential	33.2 Ha (17%)	163 Ha (42%)	225 Ha (23%)	142 Ha (13%)	39 Ha (4%)	64 Ha (1%)
R3 Medium Density Residential	-	6,987 m ² (0.18%)	57 Ha (6%)	13 Ha (1%)	8,870 m ² (0.1%)	-
R5 Large Lot Residential	-	-	30 Ha (3%)	-	-	-
Land Available for Development						
Minnamurra	Perusal of aerial mapping over the suburb (undertaken 17/2/2022) reveals there are approximately 2 vacant sites suitable for development.					
Kiama Downs	The analysis of the suburb reveals there are few current vacant sites suitable for redevelopment including a notable R2 zoned site situated at Henry Parkes Drive (442/DP1201831) with a land area of 3.12 hectares.					
Kiama	Perusal of aerial mapping over the suburb (undertaken 17/2/2022) reveals there are approximately 33 vacant sites suitable for development.					
Gerringong	14 Campbell Street, 35 Belinda Street and 105-109 Fern Street (comprising two contiguous lots with same owner). Other vacant sites have been identified which may have appropriate zoning in place however remain unlikely suitable for development due to having Riparian Lands and Watercourses classifications such as the 8,526m ² site situated at 20 Campbell Street.					
Gerroa	Perusal of aerial mapping over the suburb (undertaken 17/2/2022) reveals there are approximately 6 vacant sites suitable for development.					
Jamberoo	Perusal of aerial mapping over the suburb (undertaken 17/2/2022) reveals there are approximately 10 vacant sites suitable for development.					

Source: AEC, Landchecker, ABS (2021).

4. URBAN DESIGN CONCEPT PLAN

Traders have engaged eUrban to prepare an Urban Design Concept Plan (‘UDCP’) for the Site detailing a range of housing typologies, community facilities, retail amenities, social infrastructure and open space. A summary of the proposed preferred outcome for the Site follow.

4.1. CONCEPT PROPOSAL SUMMARY

The Proposal includes approximately 1,142 dwellings (ranging in typology from low-rise apartment complexes through to large/ hobby lots of approximately 1 acre in size), a school/ college facility, minor retail and substantial open space (~40 hectares) which is currently privately owned, becoming available to the public post project completion. Key attributes of the UDCP follow in Table 4.1 (noting it is subject to revision).

Table 4.1: Concept Proposal Summary

Item	Preferred Delivery Outcome			
Work to date (on-going)	<ul style="list-style-type: none"> Strategic Planning Analysis, Visual Attributes Assessment, Urban Design Concept Plan. 			
Concept Proposal				
Proposed land use zones	<ul style="list-style-type: none"> R5 Large lot residential (or C4 Environmental living) – visually important areas. R3 Medium density residential – in lower areas around the creek open space. R2 Low density residential – in the centre-south extending from existing. SP3 Tourist zone – on Longbrush Road. RE1 Public recreation – creek corridor, high point on ridge and links. E2 Environmental conservation – existing, dense vegetated areas. RU2 Rural Landscape – west of Spring Creek as buffer/ edge to urban area. B2 Local Centre – low rise local retail/ commercial facilities. 			
Density, scale and character	<ul style="list-style-type: none"> Low rise character – predominantly two storey or split level. Estimated potential of 1,142 dwellings – 60% large lot/low density, 40% medium density. Concept layout maintains 70% of the site as ‘open’ areas for open space (RE1 zone), rural/agricultural college (RU2 zone) and semi-rural eco-living (R5 zone). Unique local character – coastal/rural style dwelling design, modern take on past. 			
Lot sizes	<ul style="list-style-type: none"> 200m² - 300m² sustainable small lots. 450m² - 600m² standard low density lots. 4,000m² - 5,000m² large semi-rural lots. 			
Proposed Social and Community Infrastructure	<ul style="list-style-type: none"> New local school – community or private, potential agricultural school. ~40ha public open space (active). Destination walking/cycling infrastructure – ridge to creek loop with café. Local Park with nature play – currently no formal public open space west of freeway. Playing fields – potential subject to investigation of topography. Neighbourhood centre – community space with local convenience shops/food. Housing affordability – housing for locals and affordable community/key worker housing. 			
Proposed Site Efficiency	Category	Land Area	% of Total	
	Residential Lots	471,289m ²	34.9%	
	Activity Nodes/Tourism	39,218m ²	3.2%	
	Agricultural College	157,682m ²	13.1%	
	Roads (total)	194,347m ²	16.1%	
	Open Space (active)	39,455m ²	3.3%	
	Riparian (Spring Creek)	356,231m ²	29.5%	
	Total Site Area	1,193,387m²	100%	
Proposed Yield Summary		Total Lot Area	GFA	No. of Apartments
	Apartments	36,051m ²	40,557m ²	451
		Total Lot Area	Total Lots	Average Lot Size
	Mews	33,562m ²	175	192m ²

Item		Preferred Delivery Outcome		
	Small	20,657m ²	61	339m ²
	Standard	132,067m ²	249	530m ²
	Gully	113,195m ²	184	615m ²
	Hobby Lots	85,704m ²	22	3,896m ²
	Other Uses/ Activation	10,191m ²	-	-
	Total Dwellings	1,142		
Total Lot Area	431,427m²			
Proposal Outcomes				
Activity Outcomes – Mixed use place	<ul style="list-style-type: none"> • Restaurants and local services – including “Greyleigh Kiama”. • Eco-tourism, accommodation and events – serving as local produce farmgate. • Horticultural and agricultural college – maintaining rural character and agriculture output. 			
Housing Outcomes – Broad cross section of housing typologies and affordability issues addressed	<ul style="list-style-type: none"> • Affordable low rise apartment pockets in partnership with Community Housing Providers. <ul style="list-style-type: none"> ○ 30 dwellings will be provided to Land and Housing Corporation (LAHC) at no cost to Council or LAHC. ○ 5% of the total yield to be earmarked for Affordable Housing (in perpetuity) , properties to be managed by a CHP. Traders to develop dwellings and retain ownership. ○ 5% of the total yield will be designated for a shared equity scheme. ○ 5% of the total yield will be offered to First Home-Owners only. • Town homes and small lot ‘hamlets’. • Low density houses with local character. • Semi-rural eco-living large lots in prominent visual locations including surrounding RU2 zoned areas. 			
Open Space Outcomes – Hinterland landscape	<ul style="list-style-type: none"> • Spring Creek open space corridor – rehabilitation, revegetation, connection, public. • Ridgeline-park and connections – protection of vistas and vegetation to improve views. • Ridge to creek walking and bike loop. • Large areas of the site to maintain an open character – public space/riparian (~33%), school (~13.1%) and semi-rural housing (~7.4%). 			

Source: AEC, Traders in Purple – Kiama West Proposal Summary (2022).

4.2. CONCEPT IMAGERY

The Site is situated just west of the existing urban periphery forming a natural progression of any future settlement expansion. An extract depicting the Sites position relative to Kiama town centre follows in Figure 4.1.

Figure 4.1: Conceptual Layout and Site Position



Source: eUrban – Initial Concepts (2022). *Boundaries approximate only

5. ALIGNMENT WITH POLICY/ STRATEGY

The Proposal aligns with local and regional policies in a number of aspects. In accordance with the concept scheme provided, the Site can potentially provide sustainable development, affordable/ social housing, encouraging local job creation, providing housing diversity, creation of approximately 40ha of open space, accessible walking and cycling paths. Key attributes where the Proposal aligns with specific local and strategic Policy follows in Table 5.1.

Table 5.1: Alignment with Key Polices

Planning Objective	Kiama West Proposal Alignment
Local Policy	
Kiama Local Environmental Plan 2011	
<p>In Section 1.2 Aims of Plan, we highlight the following:</p> <p><i>(a) to provide planning controls for the Kiama area to achieve ecologically sustainable development principles while recognizing the economic, environmental and social impacts and risks associated with climate change.</i></p> <p><i>(g) to cater for housing choice including affordable rental housing, affordable housing for first home buyers and housing for the aged and disabled and independent seniors,</i></p> <p><i>(i) to promote and co-ordinate the orderly and economic use and development of land.</i></p>	<p>The Proposal demonstrates a broad range of housing typologies to adequately meeting a variety of needs, particularly where these needs may change over time. Further, the Proponent has also earmarked the following to be provided:</p> <ul style="list-style-type: none"> • 30 social housing dwellings • 10% of project to be affordable housing (5% shared equity) • 5% dedicated to first home buyers
Kiama Local Strategic Planning Statement 2020	
<p>A key objective the LSPS is to encourage local job creation and that tourism will continue to be a major contributor to the Municipality's economy noting <i>the Kiama Municipality will have more diverse local job opportunities, particularly in tourism, health and aged services, education and training and knowledge services.</i></p> <p>9.1 Greenfield Expansion</p> <ul style="list-style-type: none"> • <i>Kiama's capacity to meet projected housing demand requires consideration of housing supply areas</i> • <i>In addition to these greenfield sites, it is noted that towards the end of the 20- year life of our LSPS, we would expect the Bombo Quarry site to be rehabilitated and available for a mix of residential, commercial, tourism and employment uses.</i> <p>9.2 Infill Potential</p> <p><i>Theoretically, there may be many thousands of potential dwellings that could be developed however only a small portion of those would be expected to translate to actual new housing. In valuable markets such as those in the Kiama Municipality</i></p> <p>Theme 1 : Manage Sustainable Growth</p> <p><i>The 2019 Population Projections tell us that our population is aging and that we can expect a growth in single and couple households. Over time we need to plan for a larger proportion of our housing stock to be smaller dwellings and apartments.</i></p> <p>Theme 2: Develop a Diverse and Resilient Economy</p> <p><i>Visitor Economy (Tourism) Council has developed a tourism opportunity plan that seeks to identify new tourism experiences and infrastructure requirements and to facilitate and encourage investment.</i></p> <p>Health, Disability and Aged Care</p> <p><i>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/ senior's services will increase.</i></p> <p>Education</p> <p><i>The nature of jobs in this sector would complement and be in alignment with our current labour force.</i></p> <p><i>We have a comparatively high proportion of our labour supply having completed year 12 or equivalent and a high proportion hold formal university qualifications.</i></p> <p><i>The Education sector is the second highest occupation of employment of our residents.</i></p>	<ul style="list-style-type: none"> • Section 9.1 of the LSPS states the Bombo Quarry site is unlikely to commence until the end of the 20 year life of the LSPS. Therefore, other greenfield sites such as the Site will be required to provide the additional housing targeted for Kiama LGA. • Addressing Section 9.2 in the LSPS, through previous feasibility modelling undertaken by AEC, it is observed that very few sites capable of infill redevelopment will end up being redeveloped. • Sustainable growth is a key element identified in the LSPS, the proposals broad dwelling typology mix can cater to a wide demographic and delivered across multiple stages. • The proposed inclusion of an agricultural college/ school would be a significant contributor to the local economy particularly given the long agricultural background of Kiama LGA and neighbouring regions. • Furthermore, the Kiama West site forms a more natural extension of the existing urban footprint of Kiama and given the topography of the Kiama West site, is unlikely to materially impact upon any existing escarpment views of surrounding landowners.

Planning Objective	Kiama West Proposal Alignment
Regional Policy	
Kiama Regional Economic Development Strategy 2018-2022	
<p><i>Employment in the Health Care and Social Assistance sector (which predominantly serves the older group of residents) and the Construction sector (which serves the growing population) has grown, with these sectors overtaking Retail Trade in terms of employment. The Education and Training sector has also increased in significance over time and was the fifth largest employing sector in 2016.</i></p>	<ul style="list-style-type: none"> The project would deliver jobs through construction and then upon completion when the retail/hospitality facilities open as part of the proposal. The proposed school/college would also benefit the education and training sector as well as providing more local full and part time employment opportunities.
Illawarra Shoalhaven Regional Plan 2041	
<p><u><i>Create a diverse visitor economy</i></u> <u><i>Objective 14: Enhance and connect parks, open spaces and bushland with walking and cycling paths</i></u> <u><i>Objective 19: Deliver housing that is more diverse and affordable</i></u> <i>Single detached dwellings are the most dominant form of housing. Of the more than 11,000 new homes constructed in the last five years, 60 per cent were detached single dwellings. As demand for housing for rental and purchase increases, the market tightens for those on lower incomes, students, people living on their own or seniors, especially when the number of smaller homes is limited.</i> <i>Diversity of housing choices gives more people more options at different stages of life, and different levels of affordability. Housing diversity extends into aspects such as lot sizes, the number of bedrooms, or whether housing is suitable for seniors, students or people with a disability.</i> <u><i>Objective 28: Create connected and accessible walking and cycling networks</i></u></p>	<p>The proposal meets a range of objectives outlined in the Illawarra Shoalhaven Regional Plan 2041 including:</p> <ol style="list-style-type: none"> The potential to strengthen the regions dairy and/or land based industries by way implementing an agricultural school/college and providing sustainable employment opportunities (post-graduation) in the agriculture sector. The proposed walk and cycleways can be interconnected with existing networks plus the addition of more open space (currently privately held). The proposal offers a diverse range of housing typologies which caters to various age profiles/ household sizes. Also, with the introduction of increased higher- density living, this will likely be at a more affordable price point addressing key affordability issues.
Six Cities Vision	
<p>Kiama LGA forms part of the Six Cities Vision. Per NSW Governments June 2022 Infrastructure Update, it is stated <i>'we're working to create good jobs where people live, attracting world class industry and talent, and delivering the infrastructure to connect the cities together'</i>. <i>'The six cities represent a unique national opportunity to attract global investment, talent and tourism on an unprecedented scale'</i>. Increased access to homes that families can afford, more equal access to higher education and training opportunities is also a feature of the Six Cities Vision. The aim in creating the Six Cities Region is to create <i>'a polycentric region where each city builds on its existing strengths and local character while leveraging the benefits of scale to attract new talent and investment as well as enhanced infrastructure and amenities'</i>².</p>	<p>The proposal aligns with a number of key objectives outlined in the Six Cities Vision in that it can provide additional jobs, deliver infrastructure, access to homes families can afford and higher education and training opportunities.</p>
<p>Source: AEC, Kiama Local Environmental Plan 2011, Illawarra Shoalhaven Regional Plan 2041, Kiama Regional Economic Development Strategy 2018-2022, Kiama Local Strategic Planning Statement 2020.</p>	

² https://www.lindsaytaylorlawyers.com.au/in_focus/six-cities/

6. SOCIO-DEMOGRAPHIC PROFILE

This section provides an overview of the socio-demographic profile of Kiama LGA to understand population, housing and dwelling-specific trends for the region benchmarked against the state of NSW. This analysis provides insight into the profile of residents and resultant demand for housing.

KEY OBSERVATIONS

- According to the Department of Planning & Environment (DPE), the population of Kiama LGA is anticipated to reach 30,847 by 2041 representing an increase of 6,917 residents or +29% (based on 2021 population figures), equating to average projected growth of about 346 persons per annum.
- Kiama LGA is a popular tourist destination meaning more stock is available for short term rental accommodation (unoccupied dwellings account for 16.5% versus NSW at 9.4%) leaving less available stock for prospective buyers or long term renters/tenants.
- Kiama LGAs population is aging. The median age is 48 (NSW is 39). The predominant age group is between 65-69 at 8.5% of Kiama LGAs population. The need for age appropriate housing will be increasingly more important over the next 5-20 years.
- Separate houses are the predominant housing typology at 76.1%. More balanced and diversified housing typologies are required, particularly in terms of age appropriateness and addressing affordability issues across the LGA.
- 1-bedroom dwellings only account for 2.8% of dwellings within Kiama LGA. 4-bedroom dwellings account for 42.9%. It is likely a lower bedroom count per dwelling will be necessary going forward with the median age of residents expected to continue rising.
- 47.5% of dwellings in Kiama LGA are owned outright. Typically, the age profile of this cohort is more elderly and therefore less likely to progress redevelopment of infill housing.

6.1. ECONOMIC SNAPSHOT

Based on the 2021 Census, a socio-demographic ‘snapshot’ of the key indicators for Kiama LGA follows in Table 6.1.

Table 6.1: Socio-Demographic Snapshot of Kiama Key Settlements

Socio-Demographic Profile Summary					
Dwelling Growth by LGA	2006	2011	2016	2021	Growth ('06 to '21)
Kiama LGA	8,758	9,402	9,940	10,766	23%
Predominant Age Groups	Kiama (%)	NSW (%)	Comment		
65-69	8.5	5.2	Kiama LGAs predominant age group is between 65-69 at 8.5%, closely followed with the 60-64 age group at 8.1%. This is higher than NSW as a whole at 5.2% and 5.8% for the same age groups.		
60-64	8.1	5.8			
70-74	7.1	4.6			
55-59	6.8	6.1			
50-54	6.0	6.2			
45-49	6.0	6.4			
Median Weekly Income	Kiama (\$)	NSW (\$)	Comment		
Personal	\$827	\$813	Median weekly income in Kiama LGA is largely similar to NSW as a whole but noting the older demographic in Kiama.		
Family	\$2,202	\$2,185			
Household	\$1,834	\$1,829			
Kiama	Kiama (%)	NSW (%)	Comment		
Occupied Private Dwellings	83.5	90.6	Kiama LGA is a popular tourist destination with higher than state		

Socio-Demographic Profile Summary			
Unoccupied Private Dwellings	16.5	9.4	average amount of dwellings utilised for short term rental accommodation leaving less stock available for prospective buyers or long term renters/tenants.
Dwelling Structure	Kiama	%	Comment
Separate House	6,555	76.2	Separate houses are the predominant housing typology at 76.1%, however semi-detached and apartment typologies have been observed to be increasing, albeit moderately.
Semi-Detached	1,230	14.4	
Apartment or Flat	756	8.8	
Other Dwelling	52	0.6	
Number of Bedrooms	Kiama	%	Comment
None (studio)	22	0.3	Kiama LGA has a comparatively high median age of 48 (NSW as a whole is 39), the need for 4 bedroom dwellings is likely to decrease. The inclusion of a more balanced bedroom mix (specifically for 1-2 bedroom typologies) will be required going forward.
1 Bedroom	246	2.8	
2 Bedroom	1,220	14.1	
3 Bedroom	3,343	38.8	
4 Bedroom	3,700	42.9	
No. not stated	95	1.1	
Housing	Kiama	%	Comment
Family	6,490	75.4	Single households in Kiama LGA equate to 22.7%. This figure is expected to increase going forward.
Single (or lone) person	1,957	22.7	
Group	164	1.9	
Tenure Type	Kiama	%	Comment
Owned Outright	4,089	47.5	A comparatively high number of residents in Kiama LGA own their home outright at 47.5% (versus NSW as a whole at 32.5%) indicating Kiama residents enjoy relatively high personal net wealth.
Owned with a Mortgage	2,617	30.4	
Rented	1,532	17.7	
Other Tenure Type	277	3.2	
Tenure Not Stated	107	1.2	
Rent Weekly Payments	Kiama	%	Comment
Median Rent	485	-	It is generally accepted that if weekly rental payments exceed 30% of income, the tenants are technically experiencing the term 'rental stress'. Kiama LGA shows 37.8% households > 30%.
Households rent < 30% of income	810	52.9	
Households rent > 30% of income	579	37.8	
Unable to Determine	146	9.5	
Mortgage Monthly Payments	Kiama	%	Comment
Median Mortgage Repayment	2,194	-	Similar to rental payments, it is generally accepted that if monthly mortgage repayments exceed 30% of income, the household is technically experiencing the term 'mortgage stress'. Kiama LGA shows 13.5% households > 30%.
Households Mortgage Repayment < 30% of Income	1,968	75.2	
Households Mortgage Repayment > 30% of Income	353	13.5	
Unable to Determine	294	11.2	

Source: ABS (2007, 2012, 2017, 2022). * Note: There may be slight discrepancies due to rounding.

Population density has been observed to be highest in the coastal settlements of Kiama Downs, Kiama, Gerringong, Minnamurra and to a lesser extent Gerroa and Jamberoo.

Kiama and Gerringong comprise the largest settlements with the largest town centres.

7. KIAMA HOUSING PROFILE

The majority of Kiama LGAs population is confined to the key settlements of Minnamurra, Kiama, Kiama Downs, Gerroa, Gerringong and Jamberoo, much of the land outside the key settlements is zoned for rural purposes with a minimum 40 hectare lot size effectively ‘capping’ the amount of urban expansion that can take place. A brief overview of key housing figures based on the 2021 Census data and analysis of median house prices follows.

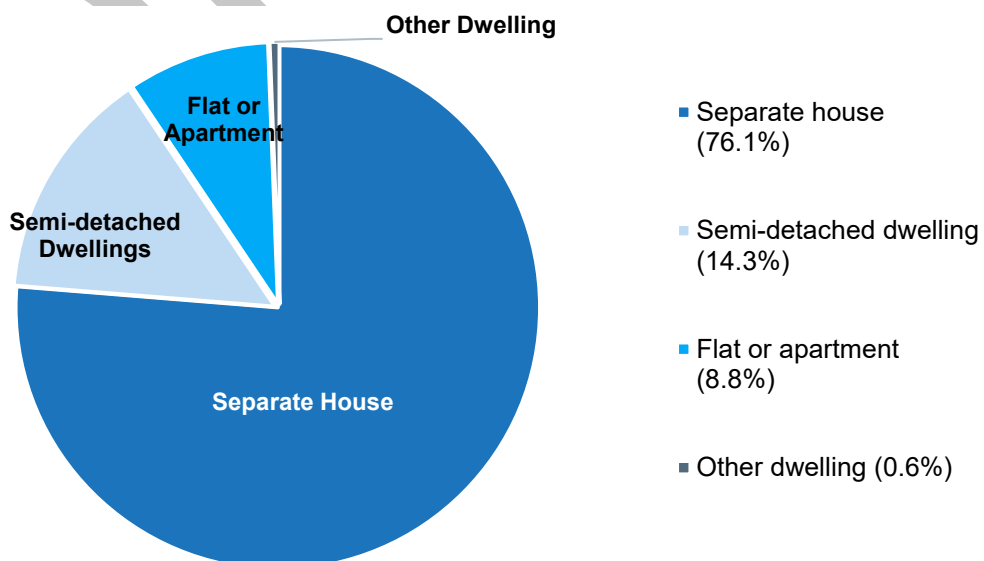
KEY OBSERVATIONS:

- Data from the NSW Valuer General reflected unimproved land values year on year growth (to 1 July 2021) in the Kiama LGA of 53.5%, the highest recorded in the state of NSW.
- As of July 2022, Gerroa had the highest median house price of \$3,460,000 in the LGA (whilst noting limited sales transactions over the preceding 12 months with wide-ranging price variances). Kiama Downs had the lowest median house price (as at July 2022) at \$1,350,000 (incidentally still higher than Sydney’s median house price).
- Average house price growth across Kiama LGAs key settlements (between 2011-2021) ranged between 132% (Kiama) to 268% (Gerroa).
- The median house price for Kiama LGA of \$1,540,000 (as at July 2022) is substantially higher than surrounding LGAs (Wollongong being second highest at \$947,000 but with a far greater range of prices reflecting the different typologies and sub-precincts).
- Based on median household income for Kiama LGA, housing affordability is observed to be between \$580,000-\$610,000. To purchase a home in the Kiama LGA at its current median price, a household income being far higher at \$185,000-\$190,000 would be necessary, on the basis of a 20% deposit and mortgage finance rate of 4.25%.

7.1. KIAMA’S CURRENT HOUSING

Kiama LGA comprised 10,766 private dwellings. Of the private dwellings identified for Kiama LGA, 76.1% were separate houses, 14.3% were semi-detached, row or terrace houses, townhouses etc, 8.8% were flats or apartments and 0.6% were other dwellings as shown in Figure 7.1.

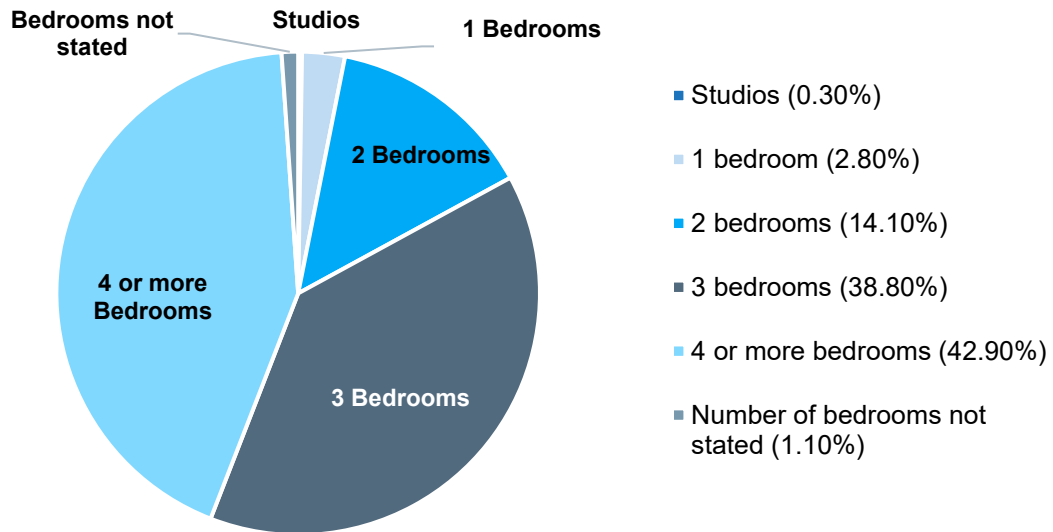
Figure 7.1: Kiama LGA Dwelling Composition



Source: ABS (2021a).

Of the private dwellings in the Kiama LGA, 2.8% had 1 bedroom, 14.1% had 2 bedrooms and 38.8% had 3 bedrooms. The average number of bedrooms per occupied private dwelling was 3.4. The average household size was 2.5 persons as shown in Figure 7.2.

Figure 7.2: Number of Bedrooms per Dwelling

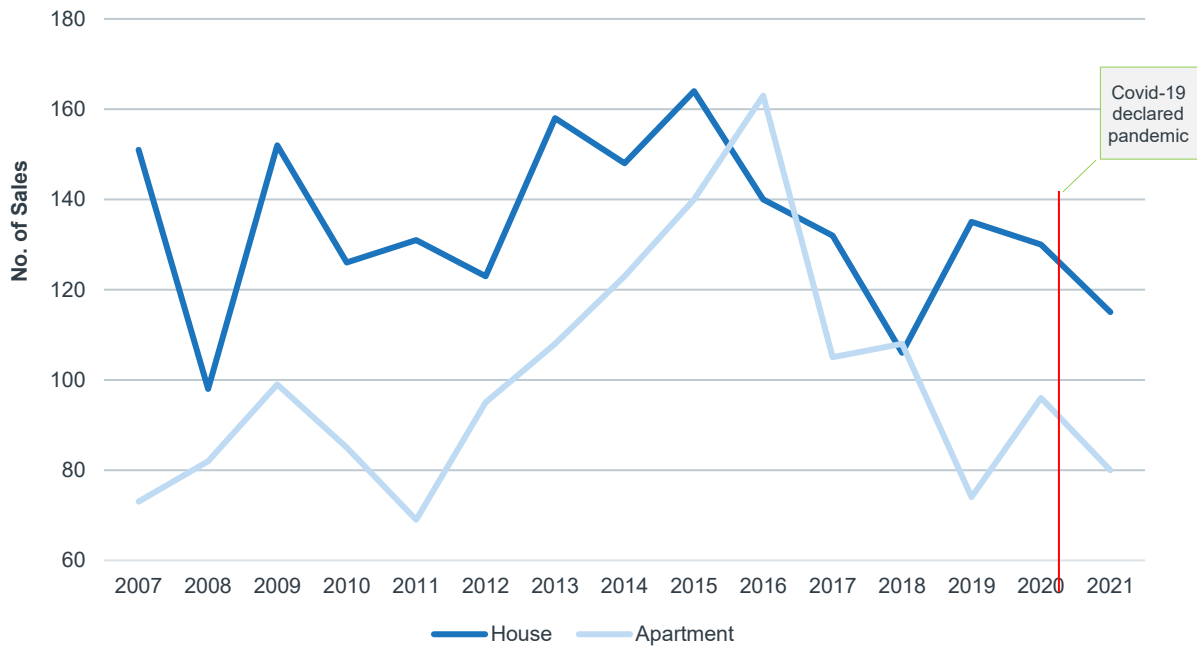


Source: ABS (2021a).

As demand for housing in the region intensified, the number of available dwelling listings decreased with affordability and lack of housing supply contributing to reducing sales volumes. Further, the general uncertainty and impacts associated with COVID-19 has resulted in some households deferring their decisions to sell or buy property.

A graph depicting the historic sales volumes for houses and apartments in the Kiama LGA follows in Figure 7.3.

Figure 7.3: Historical House and Apartment Sales Volume by Year (Kiama LGA)



Source: Pricefinder (2022).

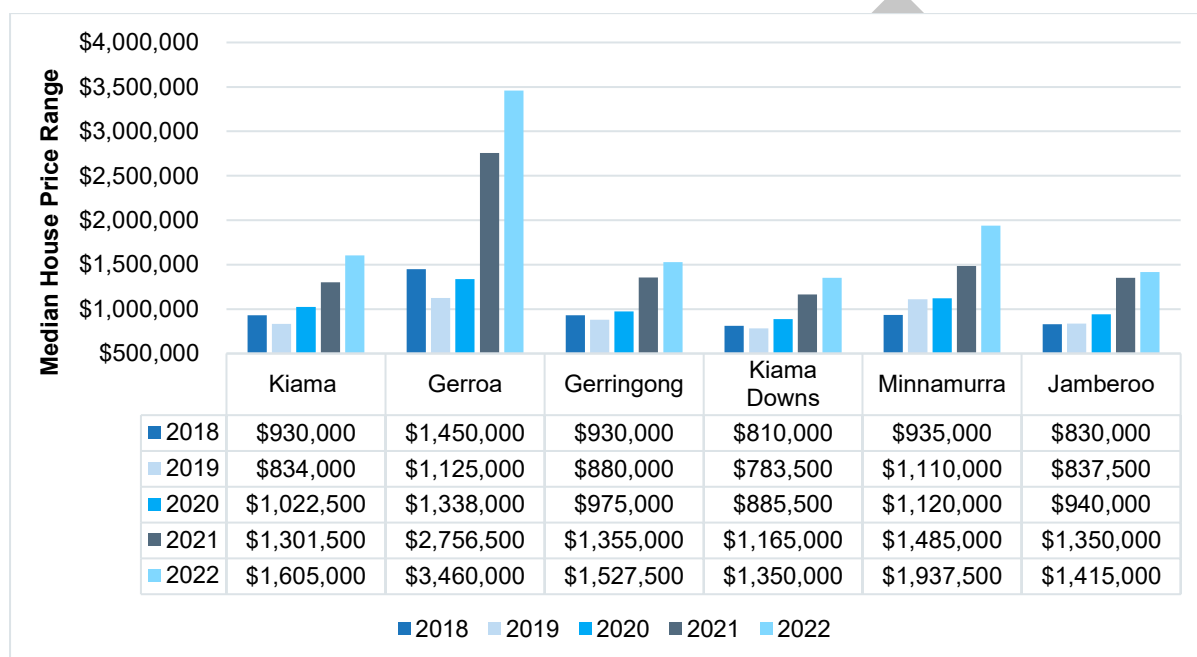
Kiama has historically been popular as a tourist destination as well as an attractive location to own a holiday house or as a location to retire (50.6% of Kiama LGAs population is over the age of 50 whilst in Greater Sydney it is 31%

and 34.6% for NSW). House prices in Kiama (and many other coastal or ‘lifestyle’ regions) experienced strong capital growth since the mid-2020s as the onset of COVID-19 set in.

Supported by the desire for more living space and/ or proximity to lifestyle regions became increasingly prioritised due to the uncertainty of how severe the disease would be (officially declared a pandemic by the World Health Organisation on 11 March 2020) and how long it would remain in motion.

The Kiama LGA property market has performed strongly since the onset of the pandemic and to present day. Despite recent interest rate rises and with the expectation of more to follow into the remainder of 2022, the median house price YoY (2021-2022) across all the key settlements within the LGA has increased as highlighted in Figure 7.4.

Figure 7.4: Median House Price Comparison – Key Settlements



Source: Pricerfinder (2022). * Note: 2022 Figures are year to date.

7.2. HOUSING AFFORDABILITY

Effectively, household income would need to double in order for residents to purchase a median priced house without entering ‘mortgage stress’ (where mortgage repayments are greater than 30% of a households income). Furthermore, as Australian monetary policy firmly enters a tightening phase (noting the official cash rate has risen from 0.1% in April to 1.85% by August 2022) with the prospect of further rate rises, the unaffordability gap in Kiama LGA is likely to widen.

Housing affordability is becoming an increasing issue for a number of LGAs within the Illawarra-Shoalhaven region, however none-more so than for Kiama LGA where median house prices grew by 27% over 2021 and 23% year to date in 2022.

Based on Kiama LGAs average household income of \$95,368 (shown in Table 7.1 as a range between \$95,000 and \$100,000), a deposit of 20% and mortgage rate at 4.25%, the maximum purchasing capacity is between \$634,681 and \$668,085. This is materially lower than the current Kiama LGA median house price of \$1,540,000 (as at July 2022) where an annual income of \$185,000 - \$190,000 would be required.

Table 7.1: Housing Affordability in Kiama

Household Income	Household Income (Weekly)	Rental (% income)	Weekly Rental	Ownership* (% income)	Monthly	Principal Loan	Deposit	Home Affordability
\$90,000	\$1,731	30%	\$519	30%	\$2,250	\$457,373	\$91,475	\$548,848
\$95,000	\$1,827	30%	\$548	30%	\$2,375	\$482,783	\$96,557	\$579,339
\$100,000	\$1,923	30%	\$577	30%	\$2,500	\$508,192	\$101,638	\$609,831
\$105,000	\$2,019	30%	\$606	30%	\$2,625	\$533,602	\$106,720	\$640,322
\$110,000	\$2,115	30%	\$635	30%	\$2,750	\$559,011	\$111,802	\$670,814
\$115,000	\$2,212	30%	\$663	30%	\$2,875	\$584,421	\$116,884	\$701,305
\$120,000	\$2,308	30%	\$692	30%	\$3,000	\$609,831	\$121,966	\$731,797
\$125,000	\$2,404	30%	\$721	35%	\$3,646	\$741,114	\$148,223	\$889,336
\$130,000	\$2,500	30%	\$750	35%	\$3,792	\$770,758	\$154,152	\$924,910
\$135,000	\$2,596	30%	\$779	35%	\$3,938	\$800,403	\$160,081	\$960,483
\$140,000	\$2,692	30%	\$808	35%	\$4,083	\$830,047	\$166,009	\$996,057
\$145,000	\$2,788	30%	\$837	35%	\$4,229	\$859,692	\$171,938	\$1,031,630
\$150,000	\$2,885	30%	\$865	35%	\$4,375	\$889,336	\$177,867	\$1,067,204
\$155,000	\$2,981	30%	\$894	35%	\$4,521	\$918,981	\$183,796	\$1,102,777
\$160,000	\$3,077	30%	\$923	40%	\$5,333	\$1,084,143	\$216,829	\$1,300,972
\$165,000	\$3,173	30%	\$952	40%	\$5,500	\$1,118,023	\$223,605	\$1,341,627
\$170,000	\$3,269	30%	\$981	40%	\$5,667	\$1,151,902	\$230,380	\$1,382,283
\$175,000	\$3,365	30%	\$1,010	40%	\$5,833	\$1,185,782	\$237,156	\$1,422,938
\$180,000	\$3,462	30%	\$1,038	40%	\$6,000	\$1,219,661	\$243,932	\$1,463,593
\$185,000	\$3,558	30%	\$1,067	40%	\$6,167	\$1,253,541	\$250,708	\$1,504,249
\$190,000	\$3,654	30%	\$1,096	40%	\$6,333	\$1,287,420	\$257,484	\$1,544,904
\$195,000	\$3,750	30%	\$1,125	40%	\$6,500	\$1,321,300	\$264,260	\$1,585,560

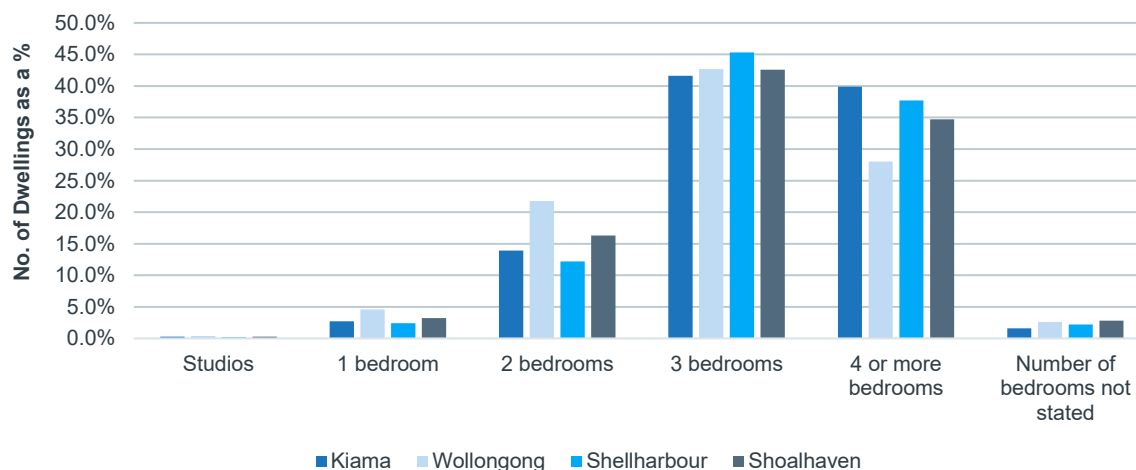
Source: AEC

- Home affordability at median household income.
- Household income required to purchase at current median house price.

7.3. COMPARISON BETWEEN KIAMA LGA AND SURROUNDING LGA’S

Across the Kiama, Wollongong, Shellharbour and Shoalhaven LGAs, the number of bedrooms per dwelling is fairly consistent. The main exceptions being the percentage of 1 and 2 bedroom dwellings being highest in Wollongong (largely attributed to a higher proportion of apartment dwellings in the region). Wollongong also exhibited the lowest percentage of 4 or more bedrooms per dwelling at 28% versus 39.9% for Kiama as shown in Figure 7.5.

Figure 7.5: Number of Bedrooms (as a %) per Dwelling for Kiama and Surrounding LGAs



Source: ABS (2021a).

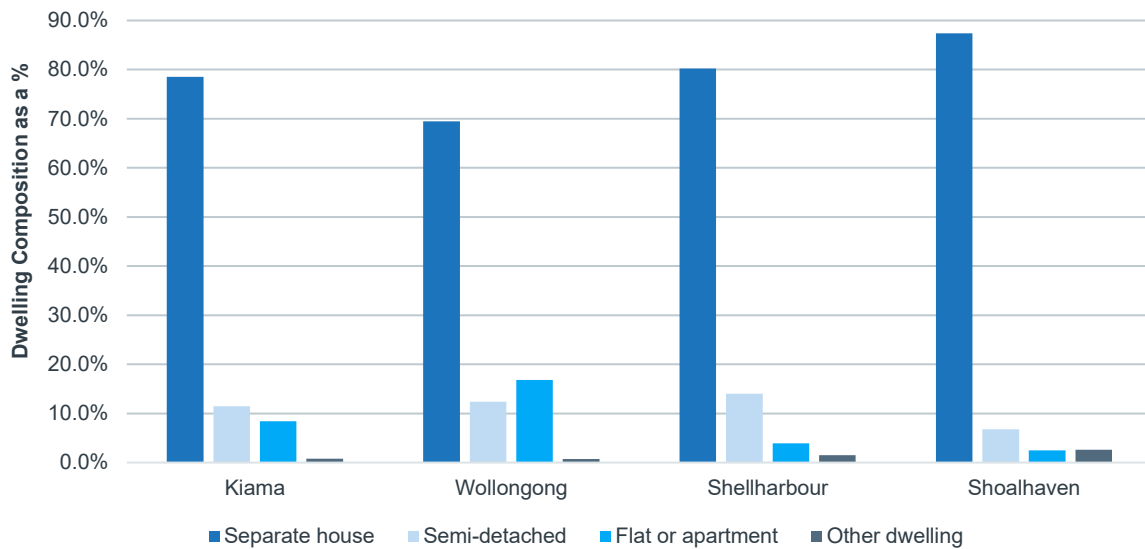
Shoalhaven was observed to have the highest proportion of separate houses at 87.4% whilst Wollongong had the lowest proportion as shown in Figure 7.6.

69.5% of total dwellings in Kiama comprise separate houses. Semi-detached and other dwellings are fairly consistent between each of the LGAs however Wollongong has the highest proportion of flats or apartments by a large margin at 16.8% as compared with Kiama (8.4%), Shellharbour (3.9% and Shoalhaven (2.6%).

The key observation from Figure 7.6 indicates housing typologies throughout the Illawarra-Shoalhaven region are generally skewed towards detached housing reflecting a lack of housing diversity. Diversity of housing ensures the housing needs of a broader cross section of the community is met, particularly from household composition and price point perspectives. The graduation of housing types (smaller to larger) and age (older to newer) also allows the needs of a household’s life-cycle to be met.

In acknowledging Kiama LGAs predominant age groups are between 65-69 at 8.5%, closely followed with those aged between 60-64 at 8.1%, it is entirely likely demand for smaller and more varied housing typologies will need to be provided to reflect the changing demographic profile and predominant age structure.

Figure 7.6: Percentage of Dwelling Typologies for Kiama and Surrounding LGAs



Source: ABS (2021a).

8. DPE POPULATION FORECASTS AND IMPLIED DWELLING DEMAND

Projected population growth for Kiama LGA (between 2021-41) has increased from the 2019 forecast of 3,065 residents to 6,917 residents (2021 forecast) reflecting a substantial increase of +126% (or an additional 193 residents per annum). In order for the Kiama region to adequately plan for future population and housing growth, potential consideration needs to be assigned towards potentially releasing additional greenfield sites throughout the LGA to meet and address DPE projections.

DPE regularly reviews their NSW population, household and implied dwelling projections on behalf of the NSW Government. The projections and/or forecasts prepared by DPE are not a target or a representation of Government intent but are representative of possible demographic future scenarios based on the most likely and best assessment of how the NSW population may change over time taking into consideration population size, age profile and residential location amongst other factors.

The DPE projections are used as a common framework across NSW Government and inform planning policy decisions involving infrastructure/ service delivery including provision of hospital beds, school classrooms, roads and public transport.

On 30th May 2022, DPE released their latest projections which include the impact of the population changes/ movements experienced during the COVID-19 pandemic.

COVID-19 has impacted the housing market and population of Kiama LGA significantly. As an example, data from the NSW Valuer General reflected unimproved land value year on year growth (to 1 July 2021) in the Kiama LGA of 53.5%, the highest recorded in the state of NSW. This surge in unimproved land value results from the substantial increase in demand experienced across the Kiama LGA since the onset of the pandemic. With more flexible work from home arrangement likely to remain in place going forward, anticipated demand for regional centres/ towns still within reasonable commute to capital cities (such as Kiama) are likely to continue experiencing above average levels of growth and demand.

DPEs population projections have accordingly been revised to reflect the changing demand profile for Kiama LGA, outlining an increase in projected population growth, between 2021-41, from 3,065 residents to 6,917 residents between the period of 2021-41 reflecting a substantial increase of +126% as shown in Table 8.1.

Table 8.1: Population Projections, Kiama LGA (2021-41)

Population	2021	2026	2031	2036	2041	2021-41 Increase	% Revised Difference
2019 Projections	23,042	23,485	24,336	25,180	26,107	3,065	+126%
2021 Projections	23,930	25,438	27,268	29,081	30,847	6,917	

Source: Department of Planning and Environment (2022).

Of equal importance, DPEs implied dwelling demand for Kiama LGA has been revised from 1,990 dwellings to 3,771, a substantial increase of +90%.

Table 8.2: Implied Dwelling Demand, Kiama LGA (2021-41)

Implied Dwellings	2021	2026	2031	2036	2041	2021-41 Increase	% Revised Difference
2019 Projections	11,058	11,412	11,950	12,497	13,048	1,990	+90%
2021 Projections	11,676	12,461	13,436	14,465	15,447	3,771	

Source: Department of Planning and Environment (2022).

The Kiama LSPS was prepared on data compiled prior to 2020 (and also the onset of the COVID-19 pandemic) and is now a dated document requiring amendment/ update to reflect revised figures.

As an additional means of comparison, we have compared the population projections and implied dwelling demand for Kiama LGA with surrounding Illawarra-Shoalhaven LGAs including Shellharbour, Shoalhaven and Wollongong as follows in Table 8.3 and Table 8.4.

Table 8.3: Population Projections, Regional Comparison (2021-41)

LGA	2021	2026	2031	2036	2041	2021-41	% Increase
Kiama	23,930	25,438	27,268	29,081	30,847	6,917	+29%
Shellharbour	75,684	82,247	89,788	97,520	105,399	29,715	+39%
Shoalhaven	108,612	117,025	126,755	136,311	145,527	36,914	+34%
Wollongong	220,274	230,340	245,295	260,910	276,936	56,661	+26%

Source: Department of Planning and Environment (2022).

Shellharbour LGA is anticipated to experience the highest level of population growth at 39% whilst Wollongong LGA the lowest at 26%. Kiama LGA is third highest at 29%.

Table 8.4: Implied Dwelling Demand, Regional Comparison (2021-41)

LGA	2021	2026	2031	2036	2041	2021-41	% Increase
Kiama	11,676	12,461	13,436	14,465	15,447	3,771	+32%
Shellharbour	29,962	32,535	35,593	38,875	42,182	12,220	+41%
Shoalhaven	62,646	68,371	74,772	81,056	86,985	24,339	+39%
Wollongong	93,310	98,016	105,069	112,830	120,649	27,339	+29%

Source: Department of Planning and Environment (2022).

Shellharbour LGA is anticipated to experience the highest level of implied dwelling demand at 41% whilst Wollongong LGA the lowest at 29%. Kiama LGA is third highest at 32%.

As of 13 April 2022, the Greater Cities Commission has brought together the Lower Hunter and Greater Newcastle, Central Coast, Greater Sydney and Illawarra-Shoalhaven regions to create a 'globally competitive Six Cities Region'³. The objectives of which include 'more people across the six cities working within 30 minutes of where they live, increased access to homes that families can afford, more equal access to higher education and training opportunities'.

Given Kiama LGA forms part of the Illawarra Shoalhaven region, which is one of the identified cities, it is likely DPEs implied dwelling demand and population projections may be revised upwards going forward.

8.1. GAP ANALYSIS

Historic infill dwelling completions across Kiama LGA over the previous 10-years equates to an average number of 81 dwellings per annum.

Combined, the release areas and infill redevelopment sites have potential to deliver a total of approximately 2,354 dwellings to 2041, falling short of the DPE implied dwelling demand figures of 3,771 by **-1,417**.

Originally outlined in the Kiama LSPS, Kiama LGA was slated to absorb 8.3% (2,850) of the 34,500 proposed new dwellings earmarked for the Illawarra-South Coast region between 2020 and 2036.

However, the Kiama LSPS also notes the dwelling projections decreased to 1,400 dwellings (based on the DPE population projections prepared in 2019). More recently, the DPE released their latest figures for 2022 indicating implied dwelling demand of 3,771 dwellings by 2041 across Kiama LGA.

Based on the 10-year historic average of 81 per annum for infill dwelling completions, AEC calculate 1,620 infill dwellings are 'likely' to be delivered between 2021-41. The identified release areas (excluding Bombo Quarry) have potential to deliver approximately 568 dwellings (excluding West of Elambra) also during the period between 2021-

³ <https://greatercities.au/thought-leadership/six-cities-region-explained>

41. Combined, the release areas and infill redevelopment sites have potential to deliver a total of approximately 2,354 dwellings to 2041, falling short of the DPE implied dwelling demand figures of 3,771 by -1,417.

A summary of the findings follows in Table 8.5.

Table 8.5: Potential Infill and Greenfield Dwellings that can be Delivered between 2021-2041, Kiama LGA

	Potential Dwellings Deliverable between 2021-41
Release Areas - Number of Lots/Dwellings	734*
Plus: Likely Infill Dwelling Delivery	1,620**
Total	2,354
DPE Implied Dwelling Demand	3,771
Gap	-1,417

Source: AEC.

* Comprises all identified expansion areas per the LSPS, excluding Bombo Quarry and West of Elambra.

** Historic infill development reflects an average of 81 dwellings delivered per annum. Over a 20-year timeframe this equates to 1,620.

9. DEVELOPMENT SUPPLY AND ACTIVITY

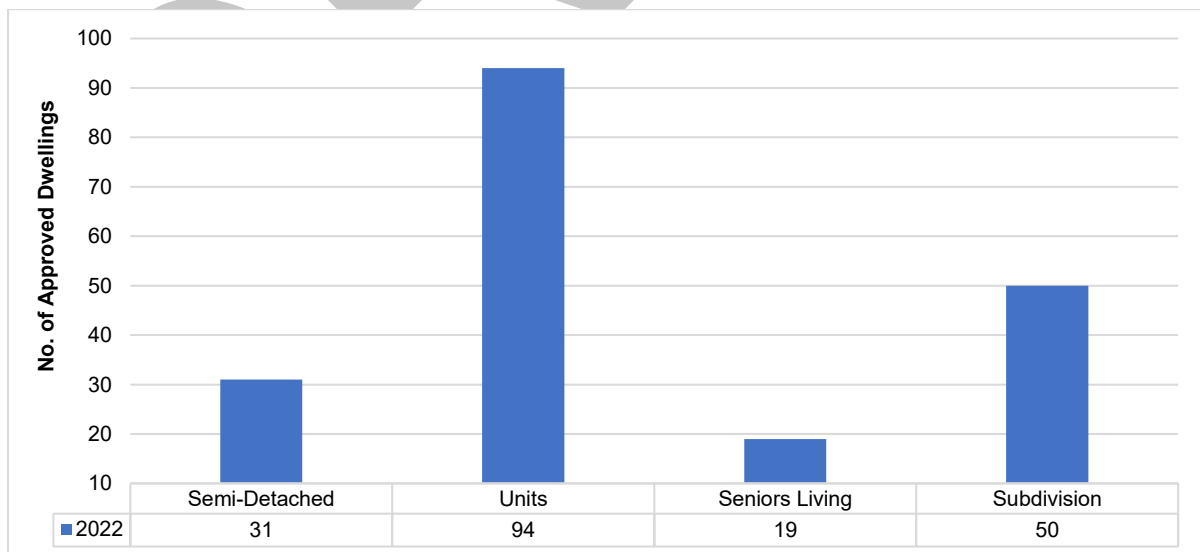
In order to understand the need for additional housing supply within Kiama LGA, we have assessed historic DA approvals and completions across the LGA, reviewed recent DA approved projects (including any Gateway approvals) and contrasted historic trends with that of forecast populations projections and implied dwelling demand for the LGA to 2041.

- Historic completions and approvals analysis indicates activity peaked in 2015-16 (with in excess of 400 dwelling approvals). Since this period, a steep decline has since been observed.
- The 10-year historic average for dwelling completions throughout Kiama LGA is 125 dwellings per annum (2010-2020). This is materially lower than what is required between 2021-41 based on DPEs implied dwelling demand of 3,771 (equating to an average of 189 dwellings per annum).
- Kiama Council advise the wastewater network for Jamberoo is now at full capacity and no additional connections to the wastewater network can be made, likely to restrict delivery of new additional housing in Jamberoo.
- Of the ~3,156 potential residential lots identified for the release/ expansion lands, only approximately 1,156 are likely to be delivered during the next 20-years (given the uncertain timing of Bombo Quarry).
- The 'unlocking' or rezoning of additional greenfield land, will enable more housing to be delivered, at a more affordable price point (due to distance from higher value coastal regions), aiding in the alleviation of high housing costs and household pressures.

9.1. CURRENT DEVELOPMENT PIPELINE

Kiama LGA (excluding Gateway approved development sites such as South Kiama; ~444 dwellings) has approximately 194 dwellings/ residential lots currently approved or with a DA lodged over the preceding 12-month period (categorised by typology) as shown in Figure 9.1. Units comprise the most significant representation at 48%, followed by subdivisional Lots at 26%. Furthermore, a number of the identified potential projects include those in early planning and/ or are under assessment, which may not eventuate to delivery.

Figure 9.1: Approved Dwellings - 12 months to August 2022, Kiama LGA



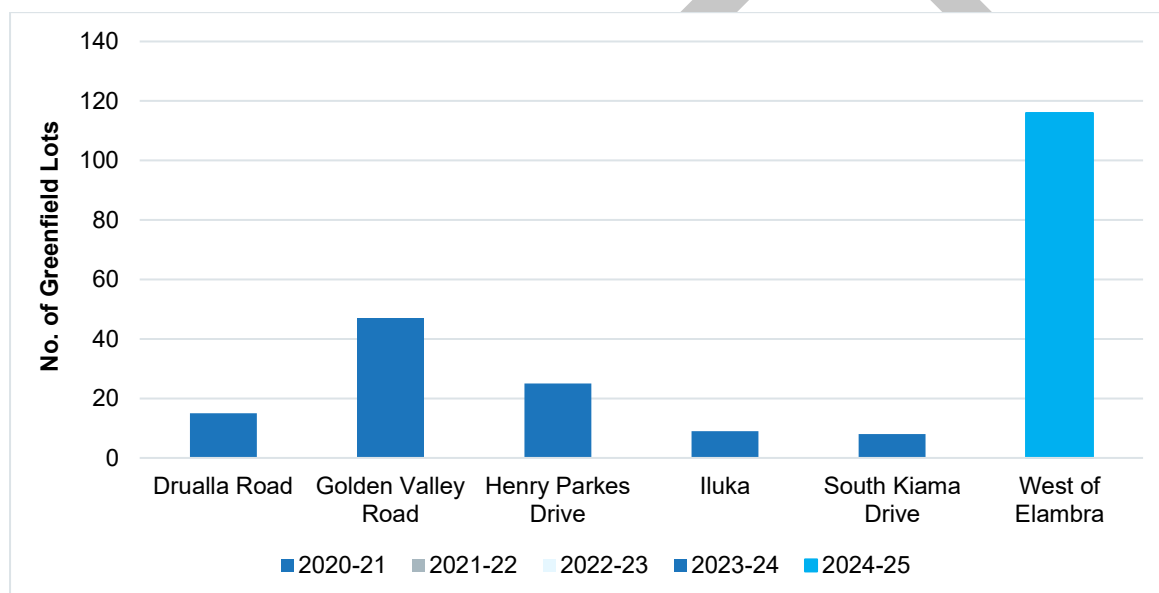
Source: Cordell Connect (2022).

According to the Urban Development Program Dashboard Illawarra-Shoalhaven (prepared by NSW Government), the historic supply of Greenfield Lots has been subdued between 2020-2022 (equating to 92 Lots in total).

Higher levels of output are anticipated for 2023 at 525 Lots with the majority situated at West of Elambra (350 Lots) and Spring Creek (118 Lots) as depicted in Figure 9.2. With the recent Gateway Approval of the South Kiama site for approximately 444 residential lots, it is anticipated this site would be more of a medium term proposition (3-6 years) and has therefore been excluded from the immediate greenfield development pipeline as shown in Figure 9.2.

We note the Planning Proposal for the West of Elambra site was determined on 24 June 2021 (PP-2021-3536), however the ‘Stage’ has been classified to “Not Proceeding”. We are advised by a representative of Kiama Council, lodgement for the application for 48 Campbell Street, Gerringong (West of Elambra) proposed 166 residential lots having been reduced from the initial proposal for 350 lots/dwellings. Due to COVID-19 and wet weather related impacts, significant delays with information being provided to Council/DPE. Ultimately, the Gateway Determination expired in late June 2021 and there was not enough time for the applicant to make the required amendments, to refer back to state agencies and for public exhibition. We are further advised DPE are no longer granting extensions and therefore the planning proposal was required to be withdrawn/terminated and subsequently relodged once the referral comments were addressed. It is understood the applicant will be relodging the planning proposal in coming months (for 166 residential lots).

Figure 9.2: Kiama LGA, Greenfield Development Pipeline



Source: Urban Development Program Dashboard Illawarra-Shoalhaven (2022).

Historic data analysis indicates DA Approvals peaked during 2015-16 with in excess of 400 dwelling approvals, however, has since undergone a steep decline from those highs. Completions peaked between 2017-2019 followed by a sharp decline between 2019-20 and an increase in activity over the 2020-21 period as shown in Figure 9.3. Interestingly, DA approvals for the Kiama region tend to reflect an inverse relationship (in activity) between new houses and other dwelling typologies (such as apartments, units, townhouses, semi-detached dwellings, row and terrace housing).

The 10-year historic average for dwelling completions throughout Kiama LGA is 125 dwellings per annum (2010-2020). This is materially lower than what is required between 2021-41 based on DPEs implied dwelling demand of 3,771 (equating to 189 dwellings per annum).

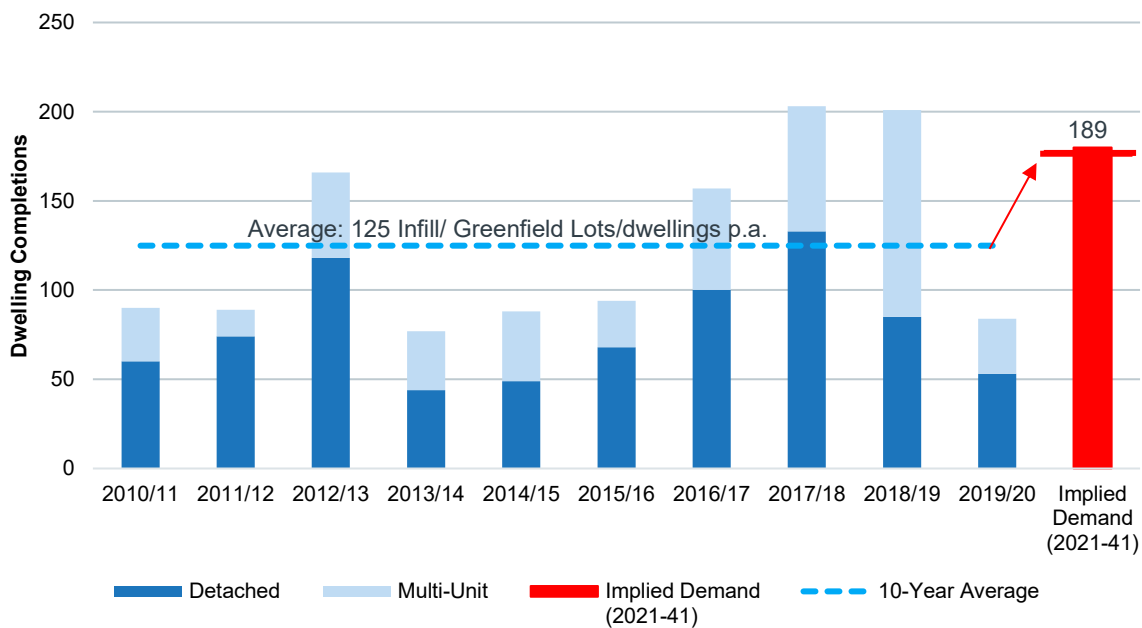
Figure 9.3: Historic Development Approvals (All Typologies), Kiama LGA



Source: Remplan (2022).

Note: New Other Residential comprises, apartments, units, townhouses, semi-detached dwellings, row and terrace housing.

Figure 9.4: Historic Dwelling Completions & Implied Dwelling Demand per Annum (2021-2041), Kiama LGA



Source: Illawarra-Shoalhaven Urban Development Program Dashboard (2022).

According to the ABS, over the twelve months to June 2022, the CPI (all groups) rose 6.1%. The construction sector has been one of the most impacted by inflation. The debate continues as to whether or not the current elevated levels of inflation remain to be ‘transitory’ or shall persist for some years. Nonetheless, clear evidence has emerged that many development projects have been deemed not feasible (particularly those of higher density requiring expensive excavation costs for basement parking). This is likely to constrain dwelling starts, increasing the pressure on housing affordability from both prospective buyers and renters as supply tightens and demand increases.

The ‘unlocking’ or rezoning of additional greenfield land, will enable more housing to be delivered, at a more affordable price point (due to distance from higher value coastal regions), aiding in the alleviation of high housing costs and household pressures.

9.2. IDENTIFIED RELEASE AREAS - KIAMA LOCAL STRATEGIC PLANNING STATEMENT 2020

A summary of the sites that have been earmarked for future expansion per the Kiama Local Strategic Planning Statement 2020 are shown in Table 9.1.

Table 9.1: Sites Earmarked for Potential Greenfield Expansion

Site	Title Details	Property Address	Land Area
Kiama Downs, Bombo Quarry, Kiama South			
1	Part of Lot 442 DP1201831	<u>Henry Parkes Drive, Kiama Downs</u> <u>Status:</u> Gateway Approved (PP-2021-1456) in September 2021 for 39 housing lots.	20,838 m ²
2	Part of Lots 101 & 102 DP1110563	<u>Riversdale Drive, Kiama Downs</u> <u>Status:</u> No DAs or Planning Proposal lodged. Potential yield: 22-35 lots.	18,171m ²
3	Lot: 8 DP31576, Lot: 7 DP 1121098 PT 4 DP553706, Lot 0 SP62590 Lot 5 DP 1135747, Lots 52-54 DP1012601 Lots 100 & 101 DP1121118 Part of Lots 101 & 102 DP1110563	<u>Bombo Quarry</u> <u>Status:</u> No current planning proposals lodged for site whilst it is understood a concept scheme has been undertaken or considered on behalf of the owner.	1,083,711m ²
4	Lots 3 & 4 DP1018217	17 Dido Street, Kiama Potential yield: 22-30 lots.	20,017m ²
5	Lot 1 DP707300, Lot 5 DP740252 Lot: 102 DP1077617, Part of Lot 1 DP625748, Part of Lot 101 DP1077617	<u>Weir Street, Kiama (Kiama South)</u> <u>Status:</u> Gateway Approved (PP-2021-379) in July 2022 for ~444 housing lots.	418,270 m ²

Site	Title Details	Property Address	Land Area	
Gerringong				
6	Lot 1 DP1106703, Lot 12: DP1166490 Lots 6 & 7 DP1161126 Lots 14, 15, 17-20 Sec: 2 DP910891	<u>Rowlins Road, Gerringong</u> <u>Status:</u> No DAs or Planning Proposal lodged. Note: This site has a riparian land and creek bisecting the site therefore any residential subdivision is unlikely. Potential yield: N/A	11,383m ²	
7	Part of Lot 2 DP1168922	<u>48 Campbell Street, Gerringong – West Elamra</u> <u>Status:</u> Gateway Implementation (PP-2021-3536) in place. Determined 24 June 2021. Originally earmarked for approximately 350 dwellings then revised to 166. Most recent status of site “Not Proceeding”. AEC are advised by Kiama Council a new application will be lodged in coming months (166 dwellings).	138,169m ²	
Jamberoo				
8	Lot 31 DP602586	<u>15 Drualla Road, Jamberoo</u> <u>Status:</u> Approved for 15 residential lots by Kiama Council in 2019.	4,000m ²	
9	Lot 1 DP 719625, Part of Lot 3 DP773150 Part of Lot 25 DP773151 Part of Lot 42 DP773152 Part of Lot 24 DP773153 Part of Lot 2 DP1183082 Part of Lots 1 & 6 DP710456	<u>Macquarie Street, Jamberoo</u> <u>Status:</u> Gateway Approved (PP-2021-1353) in May 2016 for ~5 housing lots.	74,414m ²	
Total			1,788,973m²	

Source: Kiama LSPS (2020).

* The land area for Bombo Quarry of 1,083,711m² appears to be inclusive of the adjoining quarry owned by Sydney Trains.

Based on figures sourced from Technical Paper Two – Growth & Residential Development⁴, the identified release areas could potentially accommodate ~3,156 residential lots. It is noted, Site 6 (Rowlins Road, Gerringong) is unlikely to be completely or be predominantly redeveloped due to a natural watercourse and associated riparian lands traversing the site centrally. Site 3 (Bombo Quarry) is a former quarry/ mine, and the potential redevelopment of this site would take substantial time noting the requirement to fill, rehabilitate and subsequently redevelop the site, particularly if residential housing is proposed.

In accordance with the LSPS, any redevelopment of Bombo Quarry is not expected to be undertaken within the next ~18-20 year timeframe. Approximately 2,000 potential dwellings have been earmarked for the Bombo Quarry site representing 65% of the potential expansion land dwelling potential.

Furthermore, Kiama Council advise Jamberoo’s wastewater system was constructed as part of the NSW Government’s Priority Sewerage Program (PSP) approximately 10 years ago. This system was designed to cater to the immediate village of Jamberoo and allow for approximately 10% growth within the village from minor subdivisions or extensions such as granny flats. According to Sydney Water, the Jamberoo wastewater system network is at capacity which means no additional connections to the wastewater network can be made⁵.

The two identified expansion sites situated within Jamberoo are anticipated to deliver an immaterial number of dwellings at 20. Beyond this, any further potential significant expansion within Jamberoo is unlikely during the short to medium term due to the aforementioned network capacity constraints.

Therefore, of the ~2,734 potential residential lots identified for the release/ expansion lands, only approximately 734 are likely to be delivered during the next 20-years.

9.3. INDICATIVE HYPOTHETICAL SEQUENCING OF RELEASE AREA SITES

The indicative hypothetical sequencing for when development can feasibility occur across the identified Release Areas is dependent on a number of key factors. These factors can materially impact timing of delivery of the appropriate planning approvals to the extent that the Site is ‘shovel ready’ and include the following:

- **Land Services** - Access to and availability of essential town services/ infrastructure required to service new residential urban development (i.e. drinking water, wastewater, main electricity, gas, telephone and NBN);
- **Rezoning Process** - The length of time taken to obtain necessary planning approval/ rezoning process;
- **Community Objections** - The extent of community and other stakeholder resistance/ support for the project which can halt or delay or potentially result in an amended project proposal;
- **Political Influence** - Political influence and involvement which can alter the course of the planning approval process and potentially impact yield; and
- **Site Constraints** - The nature of the site (number of constraints that could potentially impede development activity and consequently the number of studies that need to be prepared in response such as ecological and arborist reports) and other site specific requirements (i.e., the need to rehabilitate the site resulting from uses, such as quarrying activity at the Bombo Quarry site) or potential EPBC Act referrals required.

To understand the timing of each site and its development, an indicative timeline has been prepared as outlined in Table 9.3.

Cautionary Note:

The timeline in Table 9.3 is indicative and hypothetical only. AEC are not privy to all project details, particularly commercial-in-confidence information relating to the above factors of which the developer or the agency/ infrastructure department hold and are not willing to release. Information was obtained through general desktop research.

⁴ Prepared by Kiama Municipal Council, unknown date

⁵ https://www.sydneywatertalk.com.au/kiama-updates/news_feed/jamberoo-village

Kiama South

After Bombo Quarry, the Kiama South project is the second largest of the Release Areas at ~418,270m² (per the Kiama LSPS). It is situated just west of the Princes Highway between Saddleback Mountain Road and Weir Street in South Kiama. The proposal for the site comprises the construction of 444 residential Lots (285 x standard size Lots, 156 x small Lots and 3 x large Lots). A summary of the key dates relating to the lead-in time for obtaining Gateway Approval for the proposed subdivision is as follows:

Table 9.2: Kiama South Timeline

Relevant Period	Description	Cumulative Time
March 2019	At its meeting held on 19 March 2019, Kiama Council resolved not to support the Planning Proposal.	-
June 2019	At its meeting held on 19 June 2019, the Southern Planning Panel determined the Planning Proposal should proceed to Gateway Determination.	3 months
July 2022	In July 2022, the NSW Government has since advised Kiama Council that following independent review, the Minister for Planning and Homes; Anthony Roberts is supportive of the proposed South Kiama project with a formal date of publication being 12 July 2022.	37 months
Total		40 months

Source: DPE, Kiama Council (2022).

Figure 9.5: Kiama South Subdivision Layout

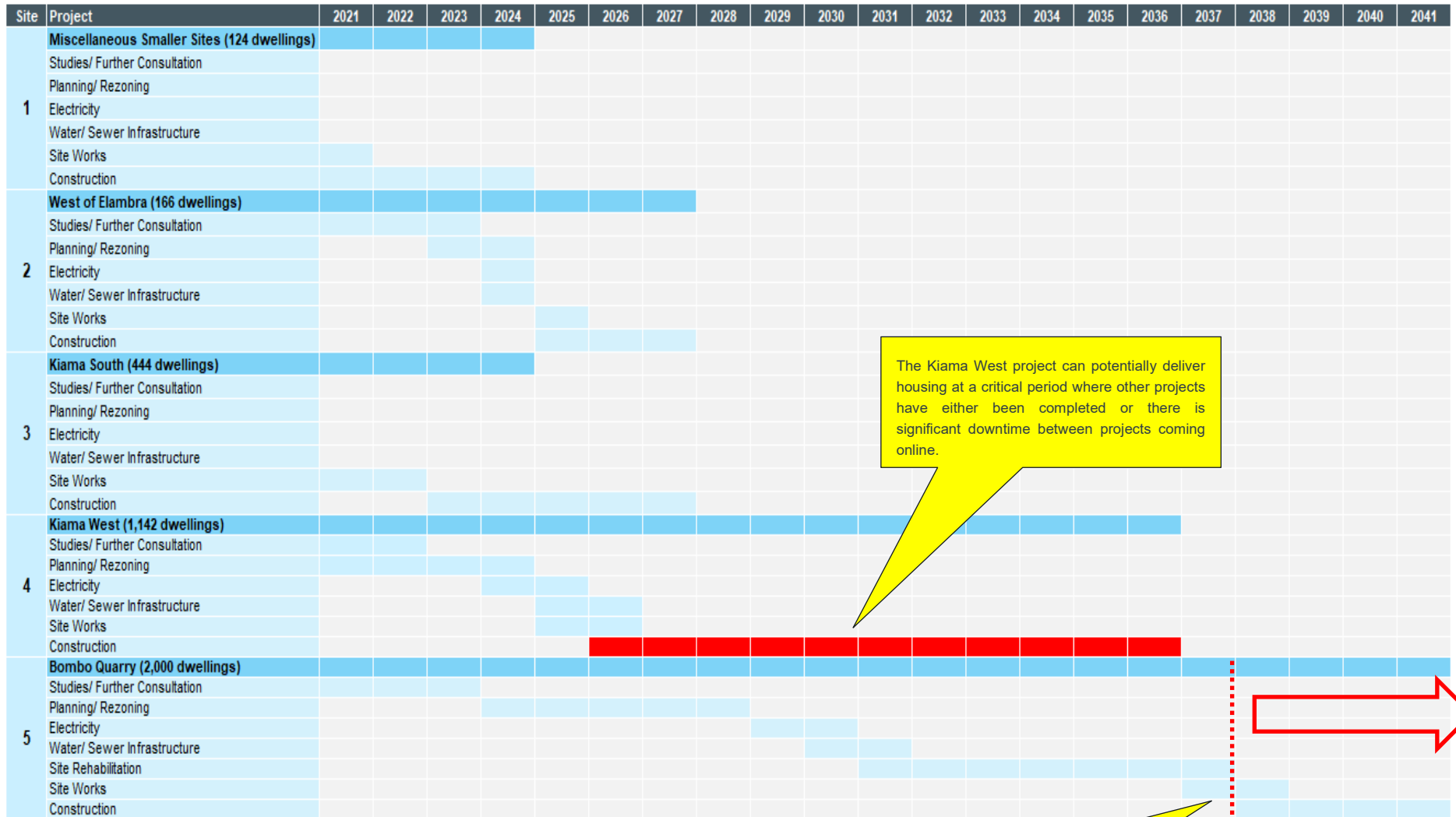


Source: PriceFinder, Kiama South Planning Proposal, NSW Planning Portal (2022). * Boundary indicative only

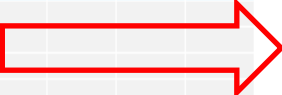
A comprehensive lead-in time up to the March 2019 KMCs meeting is not known, however development of planning proposal documentation could have potentially taken 6 to 12 months to prepare.

Kiama South is situated within reasonably close proximity to the Kiama West site. KMCs zoning maps were recently amended on the 14 July 2022 to reflect the rezoning to R2 Low Density Residential.

Table 9.3: Indicative Hypothetical Development Timeline



The Kiama West project can potentially deliver housing at a critical period where other projects have either been completed or there is significant downtime between projects coming online.



The redevelopment of Bombo Quarry under a 'best case' scenario would see construction commence circa 2037.

Source: AEC

The 'best case' scenario for Bombo Quarry to potentially be redeveloped would be from 2038 onwards, noting the LSPS (dated 2020) states “that towards the end of the 20-year life of our LSPS, we would expect the Bombo Quarry site to be rehabilitated and available for a mix of residential, commercial, tourism and employment uses”.

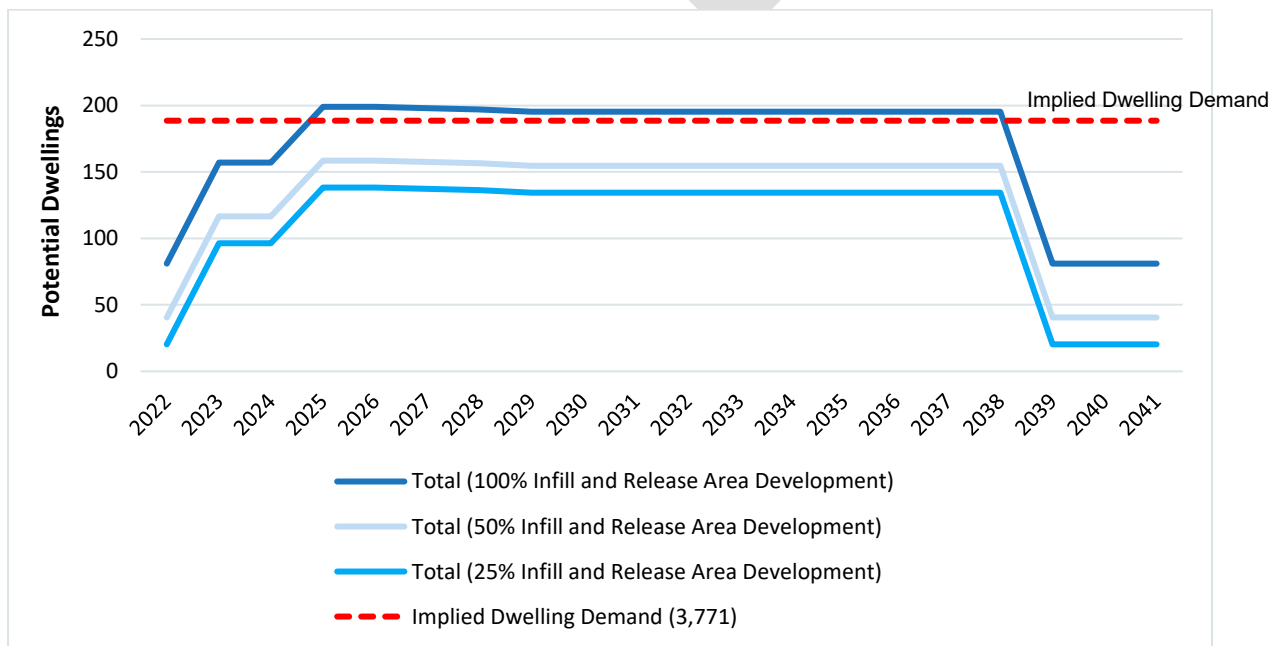
The graph outlined in Figure 9.6 demonstrates the impact of additional theoretical infill dwelling housing capacity (assessed at 1,620 dwellings), the identified release areas and Kiama West would have in terms of dwelling supply per annum. Over an approximate and hypothetical timeframe of ~20 years. Assuming all feasible infill dwellings are delivered in a linear manner (however highly unlikely), infill redevelopment could add 81 dwellings per annum (in line with the historic 10-year average). Coupled with all identified release areas and Kiama West, under this scenario, potential delivered dwellings would marginally exceed DPE implied dwelling demand.

Redevelopment of infill sites remains far more speculative and subject to market fluctuations (including interest rates, construction costs, demand, availability of labour, amongst other factors). On the basis, infill development is excluded, DPE implied dwelling demand would not be met from 2027-28 onwards.

By applying a sensitivity analysis of 100, 50% and 25% (infill development) combined with the potential greenfield development (100% under all scenarios) highlights the potential significant shortfall in housing supply that could ensue from 2025 onwards.

The Kiama West project (subject to gaining DA Consent) could potentially come online between 2026-2038 filling a vital gap/ shortage in dwelling supply to meet the Kiama LGAs housing needs during the period (as shown in Figure 9.6).

Figure 9.6: Indicative Hypothetical Development Timeline (Inclusive of Kiama West Proposal)



Source: AEC, LSPS (2020), NSW Planning Portal (2022).

Furthermore, as outlined in Section 6 within, Kiama LGA is a popular tourist destination with a higher than state average (occupied private dwellings in Kiama LGA being 83.50% versus 90.60% for NSW) amounts of dwellings utilised for short term rental accommodation leaving less stock available for prospective buyers or long term renters/tenants. This could potentially restrain further infill development going forward as typically the prime infill sites are developed first followed by the remaining sites (subject to levels of constraints i.e., slope, topography, shape) thereafter.

10. BOMBO QUARRY POTENTIAL

Bombo Quarry is a key site identified in the LSPS for Kiama LGAs longer term potential housing delivery. The LSPS states the site has potential for ~2,000 dwellings, however this would not be during the term of the 20-year lifespan of the LSPS (to 2041). Similar in area to the subject site, the two sites both have significant potential. The subject site has the potential to deliver crucial housing supply within the next 5-15 year timeframe whereas Bombo Quarry could potentially deliver vital housing requirements between 2041-61.

- The LSPS emphasises Bombo Quarry has potential to deliver significant housing supply, however, there remains significant risk with the potential timing for when construction/ redevelopment could take place (particularly around the length of time required to rehabilitate the site suitable for residential housing).
- Per the LSPS, Kiama LGA has a total of 3.58ha of land zoned for 'light industry' (representing 0.014% of the total land area). According to the LSPS, demand for light industrial land and premises in Kiama is 'strong' and that a number of businesses have indicated they would be interested in expanding operations. The LSPS also states the lack of available industrial land in Kiama LGA is forcing businesses to relocate to industrial/ business parks in surrounding LGAs to meet their expansion needs.
- The Kiama Regional Economic Development Strategy 2018–2022 (Kiama REDS) states that by releasing additional commercial land at the Bombo Quarry site, this will ease the current critical shortage of office space in Kiama and industrial land offers the potential to attract larger employers to Kiama.
- Furthermore, the proximity of Bombo Quarry to the Bombo Water Resource Recovery Facility and the need for more employment land in Kiama LGA would indicate non-residential land uses would be more appropriate when considering any potential planning proposal over the site.
- There are approximately 2,000 dwellings earmarked for the Bombo Quarry site with a timeframe beyond 20 years per the LSPS, therefore more viable, proximate and appropriate greenfield sites need to be considered to meet the DPE implied dwelling demand of 3,771 by 2041.
- The proposed dwelling typologies are not clear at this stage for Bombo Quarry however it is unlikely the site could accommodate 2,000 dwellings without significant high density development.
- In accordance with publicly available Ordinary Meeting minutes from Kiama Council (dated 20 September 2022), the timeframe for Bombo Quarry to be available for rezoning remains uncertain due as there is no advised date as to when quarrying operations will cease completely.

10.1. BRIEF HISTORY

The Bombo Quarry (~108 hectares in size) is currently a non-operational site situated approximately 1.5km north of the Kiama Town Centre. It is accessed via Panama Street and was in operation between the early 1970s and 2014 for the purposes of extracting hard rock/ aggregates with no further plans to continue former extractive operations⁶. It is owned by Boral Resources (NSW) Pty Ltd (Boral), an ASX listed entity. Quarry operations at the site were suspended in 2014 due to Boral's operations primarily focusing on its Dunmore Quarry, situated approximately 5km north of Bombo.

The quarry operates under Development Consent DA10.1971.97.1 (the DA). The DA allows for 24hr quarry production and dispatch of material via road and rail at unlimited quantities. Currently, Bombo Quarry is licensed for the extraction, processing and storage of up to 500,000 tonnes per annum in accordance with Environment Protection Licence (EPL) 313.

⁶ <https://www.boral.com.au/locations/boral-bombo-quarry>

It is also understood Bombo Quarry is also approved (in 1986) to operate a concrete batching plant within the site grounds in accordance with DA4/86⁷. Adjoining Bombo Quarry is a ~59ha quarry owned by Railcorp who is understood to still be quarrying on this section of the site.

The Kiama LSPS identifies Bombo Quarry as one of the key Release Area sites for future housing opportunity. The Kiama LSPS and Kiama REDS note potential alternate uses for Bombo Quarry as providing opportunities with an appropriate balance between employment lands and suitable residential uses for the benefit of the local community.

Bombo Quarry forms the largest of the earmarked Release Area sites capable of potentially delivering up to ~2,000 dwellings. However, the Kiama LSPS notes that towards the end of its 20 year timeframe, that is when it is expected the Bombo Quarry site will be rehabilitated and potentially available to commence redevelopment that may encompass a mix of residential, commercial, tourism and employment based land uses.

The Kiama LSPS notes the requirement to develop a Bombo Quarry Precinct Master Plan and it references a “Current Concept Plan” (not sighted by AEC) to include a hotel, commercial, residential, industrial and recreational precinct planned. The Kiama LSPS also notes the Concept Plan should consider opportunities for emerging industries and new business models.

10.2. DEVELOPMENT APPLICATIONS

The Bombo Quarry was originally approved (DA 10.1971-97.1) for quarrying and rail loading facilities in 1971. Our discussions with Kiama Council reveal that in 2019, Boral prepared a planning modification (to the original DA) seeking to allow the import of clean fill into the Bombo Quarry void (the purpose of which was to commence the rehabilitation process and preparations for potential alternative future uses of the land). The modification application was submitted to Kiama Council in March 2019, placed on public exhibition over the months of May and June.

Boral were seeking to modify the original DA under Section 4.55(2) within Part 4 of the NSW Environmental Planning and Assessment Act 1979 (EP&A Act) allowing for the importation of up to 4.5 million cubic metres of virgin excavated natural material (VENM) and excavated natural material (ENM) to the Bombo Quarry site.

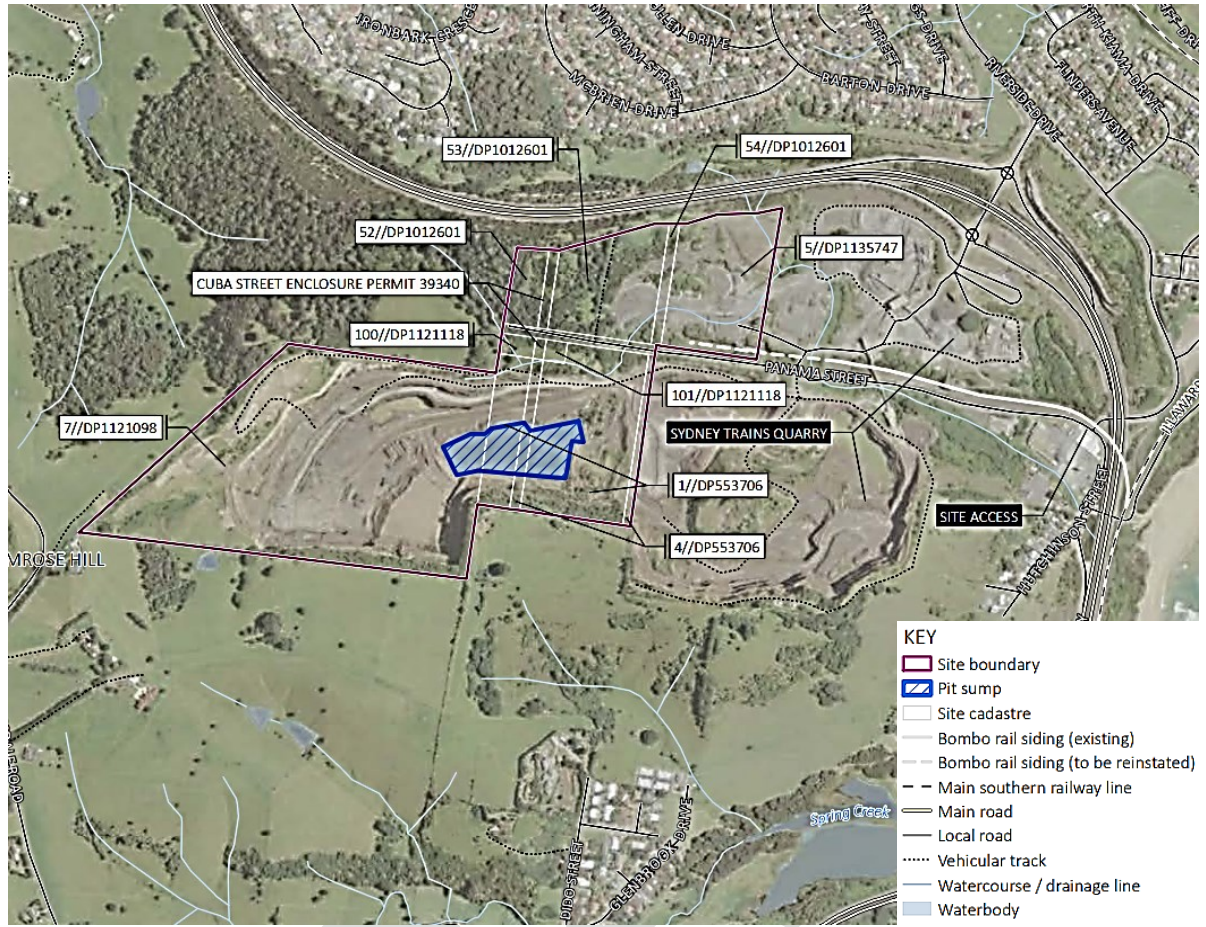
The fill material was to be supplied by the various large scale infrastructure projects in Sydney (including Sydney Metro and Badgery’s Creek Airport) that are ongoing in order to supplement existing stockpiled material to aide in the rehabilitation of the Bombo Quarry site as part of the DA conditions.

The material was proposed to be transported onto the Bombo Quarry site via road and/or rail over a period of 5-8 years (subject to availability of fill materials). In March 2020, Boral advised Kiama Council the modification application was being formally withdrawn. The advised reason for the withdrawal was that Boral want to consider alternate opportunities to facilitate the 'end use' of the quarry site.

It is understood, Boral is seeking to collaborate with Transport for NSW (TfNSW) on a precinct-wide approach to the future land uses comprising Boral's Bombo Quarry site and the currently operational TfNSW quarry (adjoining directly to the east). A location map of and site photos of Bombo Quarry follows in Figure 10.1 and Figure 10.2.

⁷ Bombo Quarry Modification – Air Quality Impact Assessment, EMM, April 2019

Figure 10.1: Bombo Quarry Aerial and Title Details



Source: EMM (2019).

Figure 10.2: Bombo Quarry Void



Source: Illawarra Mercury (2021).

10.3. LEGISLATION IMPACTING REDEVELOPMENT OF QUARRIES

Once development consent has been granted, the proponent must also obtain a mining lease under the Mining Act 1992. Mining leases contain detailed, operational requirements for rehabilitation of the site and lodgement of a security deposit. NSW is one of the few jurisdictions which requires a security deposit covering the full cost of rehabilitation.

DPE is the primary regulator of mine rehabilitation in NSW. DPE is responsible for enforcing compliance with both the development consent and mining lease.

Each mine is required to lodge a rehabilitation security deposit with the NSW Government to cover estimated rehabilitation costs in the unlikely event that the company cannot fulfil its financial obligations.

These legal obligations include returning the land to the approved land use in line with the rehabilitation plan or development consent which had been set out before mining begins.

The approval for, operation and closing of Bombo Quarry is subject to various legislation including:

- Environmental Planning and Assessment Regulation 2000
- Protection of the Environment Operations Act 1997
- State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007
- Water Management Act 2000
- Kiama Local Environmental Plan 2011
- Kiama Development Control Plan 2012
- Mining Act 1992

There are numerous other Acts and legislation relating to mining/extractive industries. These additional considerations and particularly those relating to the rehabilitation of a quarry site and the possibility of protracted delays is high. This increases the risk profile of the site, particularly when forecasting any potential alternate land use scenarios over the site. Therefore, the potential for residential dwelling delivery is unlikely by 2041.

10.4. REQUIREMENT FOR SITE REHABILITATION

The process to rezone and redevelop a quarry is complex and can be time consuming, particularly to 'make good' and 'rehabilitate' for future uses (especially where housing is to form part of a proposal). This can result in significant delays and further decreasing any opportunity to deliver potential housing on the site prior to 2041.

Rehabilitation is an integral component in the lifecycle of a mine. In order to rehabilitate the quarry and prepare it for potential alternate uses into the future, Boral requires clean fill to place in the void. Clean fill is earth and material that has been excavated or removed from a site. It must be free of all contaminants including hard materials like metals, glass or wood, any chemicals and organic matter. Strict legislation defines the requirements for clean fill.

In practice, rehabilitation can cover a range of activities such as:

- Demolition of any infrastructure.
- Sealing mine entries and boreholes.
- Remediating contaminated land.
- Capping tailings dams.
- Geotechnical stabilisation.
- Making safe infrastructure that may be retained for future use, such as buildings and heritage items.
- Groundwater and surface water treatment.
- Establishing a final landform.
- Revegetation.

10.5. RECENT COUNCIL MEETING

In accordance with publicly available Ordinary Meeting minutes from Kiama Council (dated 20 September 2022) highlight that the timeframe for Bombo Quarry to be made available for rezoning remains uncertain due as there is no advised date as to when quarrying operations will cease completely.

Correspondence between Kiama Council and DPE representatives on 19 August 2022 notes DPE will, in consultation with Kiama Council, prepare a roadmap to achieve a shared vision for the future of Bombo Quarry, as set out under Action 9 of the Illawarra Shoalhaven Regional Plan 2041. This effort will also help clarify that any future use of the site for housing or employment is unlikely to occur in the short to medium term⁸.

This correspondence further highlights the uncertainty around Bombo Quarry as to when it can feasibly be rezoned, redeveloped and ultimately deliver crucial housing.

An extract of the minutes is appended.

10.6. ALTERNATE USE CONSIDERATIONS FOR BOMBO QUARRY

The quarry is identified in numerous State and local strategic land use and development plans for its potential future use as industrial, commercial and/or residential lands, having significant potential to contribute to numerous key aims and objectives of these plans, including:

- More flexible future end uses, including residential, commercial, industrial and recreational purposes, in recognition that population characteristics of the region are changing over time, which will drive changes in land use demands⁹.

Given the constraints the Bombo Quarry site faces in terms of rehabilitation requirement, legislation, timing and its isolated location (distinct separation from key town centres/ amenities), it would appear more appropriate re-adaptive uses for the site align more with that of employment and/ or industrial based activities.

The Kiama Regional Economic Development Strategy 2018-2022 (REDS) states that by releasing commercial land at the Bombo Quarry site, this will ease the current critical shortage of office space in Kiama and industrial land offers the potential to attract larger employers to Kiama.

Per the LSPS, Kiama LGA only has just 3.58ha of land zoned for light industry representing 0.014% of the total land area of Kiama Municipality. According to the LSPS, demand for light industrial land and premises in Kiama is 'strong' and a number of businesses have indicated interest in expanding operations. However, the LSPS also states that there is a lack of available land resulting in businesses having relocated to industrial and business parks in surrounding LGAs to meet their expansion needs.

The Illawarra-Shoalhaven Regional Plan identifies seven regionally significant employment precincts, primarily positioned in Wollongong, Nowra, Shellharbour and Dapto, however none located in Kiama. The Illawarra-Shoalhaven Regional Plan also states that regionally significant employment precincts that can support jobs growth and development would generate significant economic benefits for the community of Kiama LGA and assist in financial stability.

To give the reader an indication of projects where successful implementation of alternate uses for former quarry sites (including uses such as industrial estates, community facilities, hotels and adventure tourism destinations) follows in Table 10.1.

⁸ Kiama Council Ordinary Meeting Minutes (20 September 2022)

⁹ Kiama Local Strategic Planning Statement 2020

Table 10.1: Case Studies Examples of Re-adaptive Quarry Uses

<p>Hornsby Quarry Redevelopment – Hornsby Park (Hornsby, New South Wales)</p> <ul style="list-style-type: none"> • Hornsby Shire Council are currently in the process of transforming the former Hornsby Quarry to a new 59-hectare public park. • The masterplan includes multi-use fields, sporting and recreation buildings, a wetlands cascade, informal amphitheatre, and tree-top walkway. • The quarry void is being partially filled-in to make it safe, using excavated material from the NorthConnex tunnel that was built by the NSW Government to link the M1 and M2 motorways. • Bulk earthworks commenced on the site in October 2021 to reshape and stabilise the site. This stage of works is expected to be completed in mid-2023. • The construction of the NorthConnex was a timely project with the fill resulting from the road tunnelling making the significant filling of the quarry pit possible and located nearby to the quarry pit. 	 <p>Source: Clouston Associate and Aterta Interactive (2021).</p>
<p>Former Prospect Quarry - Greystanes Industrial Estate (Greystanes, New South Wales)</p> <ul style="list-style-type: none"> • The former Prospect Rock Quarry is a 70ha site. • It ceased operation in 2007 and was subsequently acquired by Dexus Property Group. • By March 2019 it was a fully developed industrial estate with 340,000m² of prime industrial space. • Its redevelopment has been commercially successful primarily due to the accessibility to key arterial roads and their ease of access, which are attractive for logistics tenants. 	 <p>Source: Dexus (2021).</p>
<p>Gipps Street Recreation Precinct (Penrith, New South Wales)</p> <ul style="list-style-type: none"> • The Gipps Street Recreation Precinct project consists of the transformation of the former waste facility site into a sport and recreation destination. • The 32-hectare site will incorporate both active and passive sport and recreational space. • The project shall be partially funded by Council as part of their \$125 million investment over five years into sport and recreation facilities across the Penrith LGA. • The Gipps Street Recreation Precinct is expected to be completed by late 2023. 	 <p>Source: Penrith City Council (2021).</p>
<p>Quarry Amphitheatre (Perth, Western Australia)</p> <ul style="list-style-type: none"> • The Quarry Amphitheatre is an outdoor venue located in WA. • In 1917 the site was sold to Perth City Council and was converted to the venue in 1986. • The project received funding support from the Commonwealth Government, Lotteries Commission and the former City of Perth. • The site is approximately 2 hectares, and includes an amphitheatre constructed for performing arts in quarry void and café. • The amphitheatre has a seating capacity of 557 persons and car parking for 200 plus vehicles. 	 <p>Source: Quarry Amphitheatre (2021).</p>

“Zip World” Penrhyn Quarry, North Wales

- The Penrhyn quarry is a slate quarry located in North Wales.
- The site is approximately 162 hectares in size, and the main pit is nearly 1.6km long and 370 metres deep.
- The site is used as an adventure tourism facility operated by Zipworld, which first opened in 2013.
- The facility has the fastest zip line in the world, the “Velocity 2” which flies over an abandoned and partially flooded part of the quarry pit.
- Other activities on the site include mountain cart experience, tours of the quarry and a shorter zip line of 200 metres for younger children. The facility has attracted over a million visitors since inception.



Source: Zip World UK (2021).

Quarry Park Adventures, Rocklin, California, USA

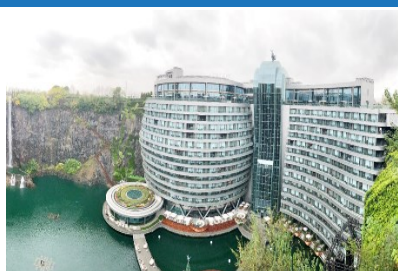
- The Big Gun Quarry was one of the largest working granite quarries in California
- The Quarry District is experiencing a transformation through private and public development that supports vibrant entertainment, commercial activity and residential options.
- The Quarry Park, a 5.5 acre (2.2 hectares) park with an outdoor amphitheatre and Quarry Park Adventures, an adventure park built within and atop the former rock quarry.
- The attraction offers a combination of activities, including rock climbing, aerial obstacle course, paddle boats, rappelling and zip lining.
- The site is owned by the City of Rocklin (the City). The City had entered into a contract with an operator to construct and operator the adventure park.
- The investment in the park was funded by the City and will be paid back through park revenues.



Quarry Park Adventures (2021).

Intercontinental Shanghai Wonderland

- The InterContinental Shanghai Wonderland Hotel is situated within a former quarry just outside the city of Shanghai in China.
- The project features a 5 star hotel facility comprising an 18-storey building, two of which are situated below the water level of the lake (former quarry).
- The developer’s intention with the project was to impact the surrounding environment positively.
- The design of the hotel reflects the natural landscape of the quarry and the rocky cliff faces, waterfalls and nearby hills. All rooms have a balcony with view of the lake.



Source: WSP (2022).

Source: AEC

Bombo Quarry is a substantial land holding and has an important role in the future of Kiama LGAs greenfield expansion potential. The key risk for Bombo Quarry is its highly uncertain timing until it can feasibility be redeveloped. Furthermore, the appropriateness of potential future land uses requires a detailed needs and demand assessment.

As identified earlier in this section, employment lands appear to be of equal need and importance to providing additional housing. The location of Bombo Quarry indicates it would be most suitable for employment based land uses.

Furthermore, there are a number of key risks that could delay or hinder any redevelopment of the Bombo Quarry site including (but not limited to):

- Boral is an ASX-listed entity (69.60% of the share held by Seven Group Holdings Limited, also an ASX listed entity) requiring shareholder and board approval for any potential divestment/redevelopment of the Bombo Quarry site.
- It is not clear if the adjoining quarry site owned by Transport for NSW is to be incorporated as part of any prospective redevelopment, meaning there is multiple owners that need to agree. Furthermore, the use and remaining lifespan of the Transport for NSW quarry site may not be aligned with that of Boral.
- There are numerous legislative requirements relating to the approval, operation and decommissioning of a quarry. This legislative framework could protract the granting of a planning proposal to redevelopment the site for alternate uses (particularly, residential land uses).
- The rehabilitation process for the site could potentially take a protracted period of time extending beyond any planned timeframe.

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APPENDIX A: LOCAL AND REGIONAL PLANNING

This section is a review of relevant statutory and strategic plans/policies that control or influence dwelling supply capacity and feasibility outcomes within the Kiama LGA.

The commentary is limited to controls and strategies impacting housing typologies that are relevant to this Study and include:

- Residential land lots
- Single residential dwellings
- Dual occupancies
- Multi-unit housing, which includes:
 - Townhouse/Villas
 - Residential Apartments
- Development land that can accommodate the above listed typologies

LOCAL PLANNING POLICIES

Kiama Local Environmental Plan 2011 and Kiama Development Control Plan 2020

The Kiama Local Environmental Plan 2011 (Kiama LEP) guides development and planning decisions within the Kiama LGA. The Kiama Development Control Plan 2020 (Kiama DCP) identifies general and site-specific controls for all development in the Kiama Municipality. For the purposes of this Study, the key planning controls within the Kiama LEP and DCP include land use zoning, limits to the permissible floor space ratio (density), lot size and building height, identification of heritage listed items, building setbacks and parking requirements.

In general, Kiama LGA is dominated by a rural landscape character with higher residential density along the coastal fringes. The predominant residential zone in each centre is R2 Low Density Residential, with R3 Medium Density Residential zones found largely in Kiama and Gerringong. Large areas of B2 Local Centre with Shop top housing are also found within the town centres of Kiama and Gerringong.

The predominant controls permitting residential development are outlined in the following table.

Predominant Planning Controls Permitting Residential Development

Planning Criteria	B2 Local Centre	R2 Low Density Residential	R3 Medium Density
Typologies Permitted	<ul style="list-style-type: none"> • Shop top housing 	<ul style="list-style-type: none"> • Dual occupancies • Dwelling houses • Multi dwelling housing (terraces only) • Semi-detached dwellings • Secondary dwellings 	<ul style="list-style-type: none"> • Attached dwellings • Multi dwelling housing
FSR range (x :1)	0.5 to 2.5	0.45 to 0.50	0.7 to 2.5
Building Height Range (metres)	18.5 to 19	8.5	8.5 to 24
Minimum Lot Size (Per Lot/Dwelling)	N/A	<ul style="list-style-type: none"> • Land subdivision - 350m² to 800m² • Manor House/Terrace – 300m² to 400m² 	<ul style="list-style-type: none"> • Land subdivision – 450m² • Manor House/Terrace – 200m² • Attached dwellings – 150m²
Car Parking	<ul style="list-style-type: none"> • 1 space per 1 or 2 bed dwelling • 2 spaces per 3 bed dwelling • +1 visitor space for every 2 dwellings in the project (applies to multi-dwelling housing, residential flat buildings and shop top housing) 		

Source: NSW Planning Portal (2022).

CURRENT ZONING CONTROLS APPLICABLE TO THE SITE

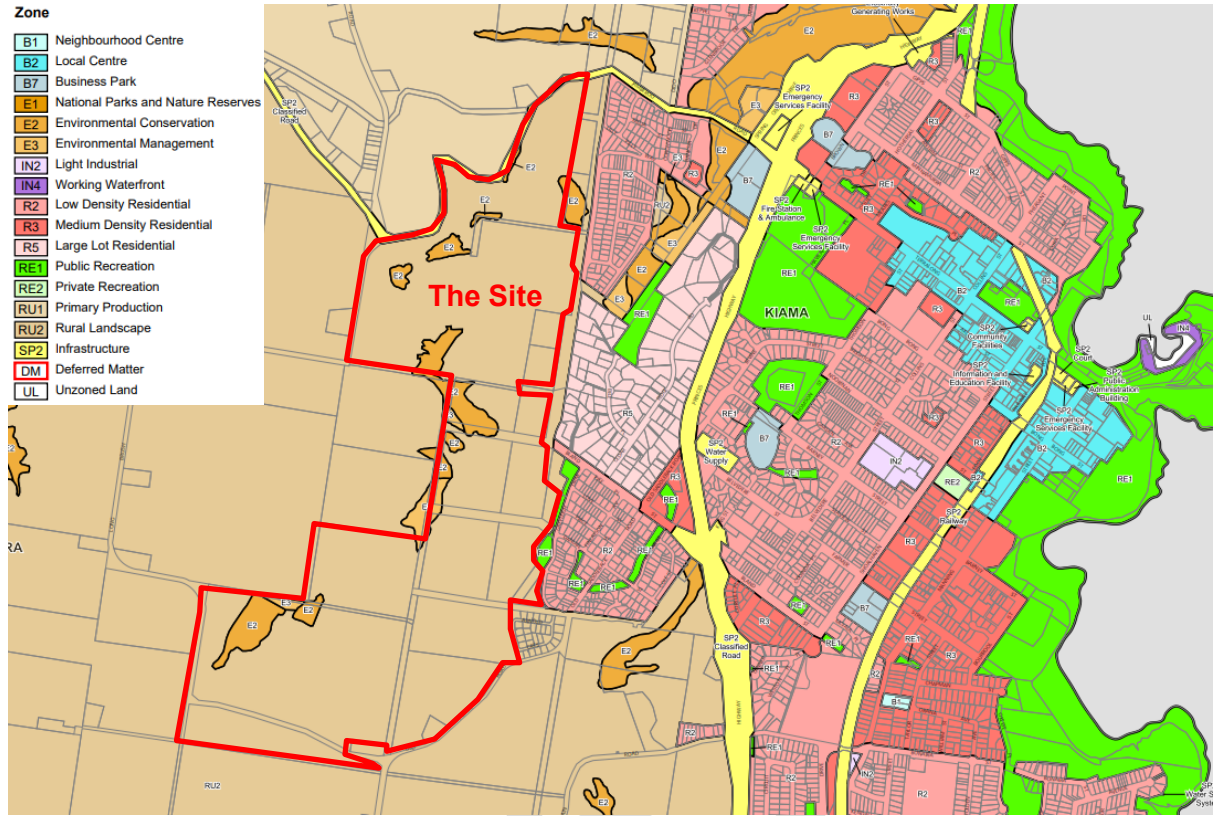
The Site is currently predominantly zoned **RU2 Rural Landscape** and partially zoned **C2 Environmental Conservation** as administered under the Kiama Local Environmental Plan 2011 (as amended). The current planning controls provide the following permissible and prohibited land uses coupled with relevant planning overlays follow.

Zoning, Development Controls and Planning Overlays

Current Zoning		
RU2 Rural Landscape	C2 Environmental Conservation	
Permitted without Consent		
Environmental protection works; Extensive agriculture and Home occupations.	Environmental protection works.	
Permitted with Consent		
Agricultural produce industries; Air transport facilities; Animal boarding or training establishments; Aquaculture; Bed and breakfast accommodation; Building identification signs; Business identification signs; Cellar door premises; Cemeteries; Community facilities; Crematoria; Dairies (restricted); Dwelling houses; Eco-tourist facilities; Environmental facilities; Extractive industries; Farm buildings; Farm stay accommodation; Flood mitigation works; Forestry; Highway service centres; Home-based child care; Home businesses; Home industries; Home occupations (sex services); Industrial retail outlets; Information and education facilities; Intensive plant agriculture; Recreation areas; Roads; Roadside stalls; Secondary dwellings and Water supply systems.	Environmental facilities; Oyster aquaculture Recreation areas and Roads.	
Prohibited Uses		
Any development not specified above.	Any development not specified above.	
Permissible Building Height		
Merit based	Merit Based	
Permissible (Maximum) Floor Space Ratio		
Merit based	Merit Based	
Overlays	Applicable	Comment
Minimum Lot Size	No	N/A
Heritage	No	N/A
Acid Sulphate Soils Map	Yes/ Partial	Fractional and immaterial northern extreme tip of the Site is classified as Class 5 Acid Sulphate Soils.
Special Infrastructure Contributions (SIC)	No	Based on advice from a KMC duty planner, no SICs apply. Standard S7.11 or S7.12 contributions apply.
Bushfire	No	N/A
Landslide Risk	No	N/A
Flooding	Yes/ Partial	Sections along Spring Creek and its associated tributaries that traverse the Site are subject to flood inundation.
Riparian Land and Watercourses	Yes/ Partial	The Site has partial Category 2 and 3 Watercourse planning overlays which align with the general positioning of Spring Creek and its associated tributaries.
Protection	No	N/A
Terrestrial Biodiversity	Yes/ Partial	Small segments of the Site are classified as Terrestrial Biodiversity Land.
Additional Permitted Uses	No	N/A

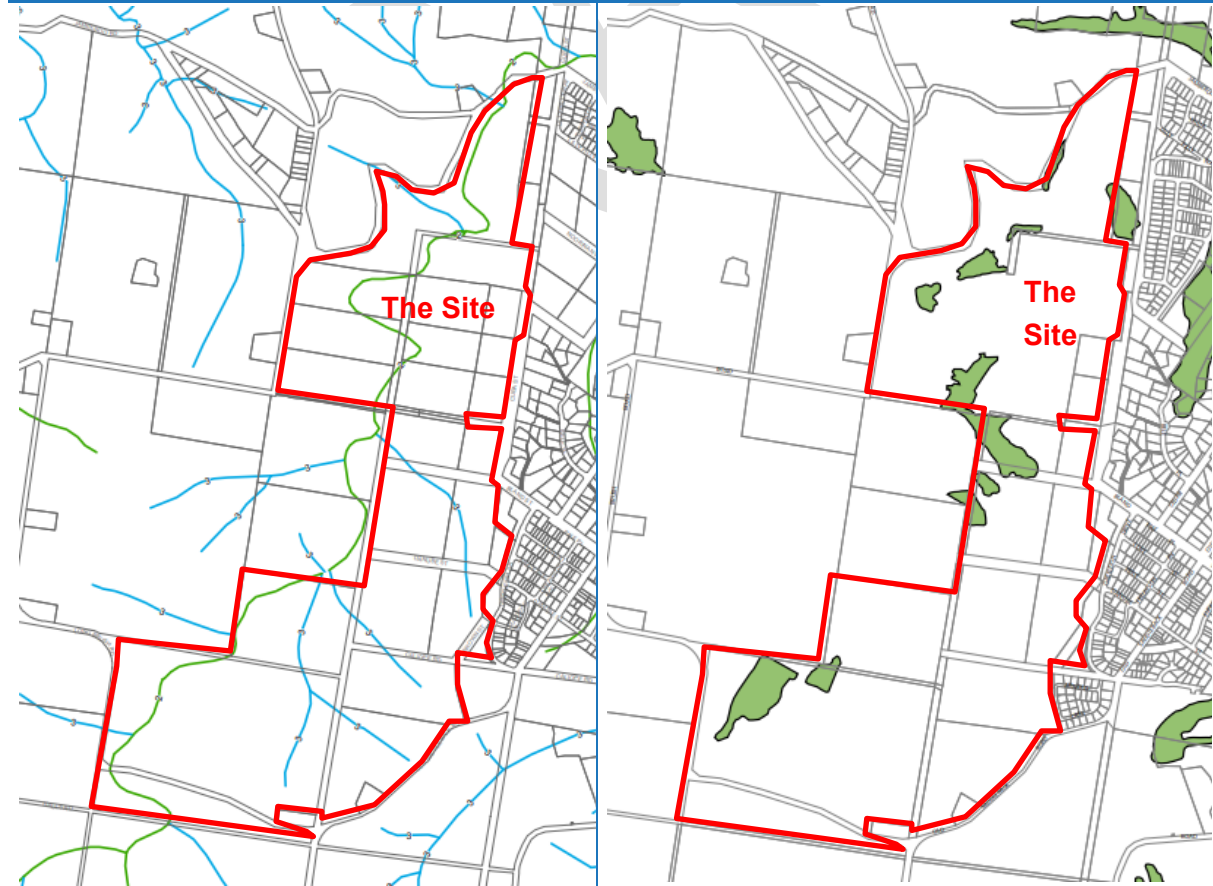
Source: NSW Government Planning Portal (2022).

Current Zoning Map



Source: NSW Planning Portal (2022). *Boundaries approximate only

Riparian Land and Watercourses Extract Terrestrial Biodiversity Map Extract



Source: NSW Planning Portal (2022). *Boundaries approximate only

Kiama Local Strategic Planning Statement 2020

The Kiama LSPS is a 20-year planning vision, emphasising land use, transport and sustainability objectives in alignment with the directions set out in the Illawarra-Shoalhaven Regional Plan.

The Kiama LSPS identifies nine potential future expansion sites with a combined land area of 1,788,973m² or 178.9 hectares. Bombo Quarry is the largest at 1,083,711m² or 108.3 hectares however there is the requirement to rehabilitate the site (given its past uses for extraction of materials). Therefore, the timing and delivery of any potential housing on this site remains speculative and at a minimum, a medium to long term proposition.

It identifies how future growth and change is to be managed in the Kiama LGA. In addition to providing the vision, the document outlines planning priorities (PP1) and actions that inform the comprehensive reviews of both the Kiama LEP and the DCP.

In line with the Theme 1 of the report which is to 'Manage sustainable growth', PP1 seeks to manage the demand and supply of housing. The LSPS outlines the need for a balanced mix of housing types, including infill redevelopment and acknowledges the need for planning for housing stock to focus on smaller dwellings and apartments.

Several greenfield sites in the LGA have been identified for future expansion. The major site is located at Bombo Quarry and is estimated to potentially provide up to 2,000 new dwellings when fully developed for residential purposes. Other future expansion lots are located in Jamberoo, Gerringong, Kiama and Kiama Downs.

The Kiama LSPS notes the strength of its historic buildings and the importance of preserving the unique character and heritage of its towns and villages. This resonates with the issues raised by the community, who are concerned about the disappearance of heritage due to over-development. Further, the LSPS highlights the community's low support for residential development within town centres.

SUMMARY POINTS

- The LSPS encourages review and amendment of existing LEP and development controls in appropriate areas of the town to support improvement in infill redevelopment feasibility.
- The LSPS identifies new greenfield sites for possible future expansion.

In accordance with the Kiama LSPS, a number of sites have been identified for potential future expansion. In total, there are 9 sites with a combined land area of 1,788,973m² or 178.9 hectares. The Bombo Quarry site is the largest at 1,083,711m² or 108.3 hectares, however given the quarry is yet to be fully exhausted of quarrying material and when taking into consideration the requirement of quarry rehabilitation post usage, the timing of delivery for any potential housing remains a medium to long term proposition.

Presently, the future expansion sites are generally zoned either E2, E3, RU1, RU2 and SP2 which do not support residential housing lot subdivision. Any hypothetical rezoning of the sites would be envisaged to predominantly comprise R2 and R3 zoning with smaller components of B1 and/or B2 zoning to guide the development of new local centres to support the proposed new housing.



REGIONAL PLANNING POLICIES

Illawarra-Shoalhaven Regional Plan 2041

The Illawarra-Shoalhaven Regional Plan 2041 (the Plan) provides a 20-year strategic vision and direction for land use planning priorities and decisions, addressing future needs for housing, jobs, infrastructure and a healthy environment for the Illawarra-Shoalhaven region. The strategy identifies four key themes in achieving the vision of an "innovative, sustainable, resilient, connected, diverse and creative region". These four themes are:

- A productive and innovative region
- A sustainable and resilient region
- A region that values its people and places
- A smart and connected region

The Plan anticipates a growth in the region's population of at least 100,000 by 2041, with Kiama's population expected to increase by 3,997 people. It highlights the need for future development to consider sustainability, feasibility, water and wastewater capacity and the protection of existing character when delivering new housing and associated infrastructure.

The Plan recognises the continuing growth in the region's ageing population, the decreasing household sizes, and the increase in home-based working due to the COVID-19 pandemic, which would impact the demand in the type of housing. It encourages an increase in the diversity and affordability of the range of housing available to cater to the needs of all generations and demographics.

The Plan identifies a need for an additional 58,000 dwellings in the entire Illawarra-Shoalhaven region by 2041. The local housing strategies seek to identify the appropriate locations to manage this growth, which would be balanced between infill and greenfield development. Bombo Quarry lands have been identified as a new urban release area to support additional housing for the Kiama LGA. The Plan encourages retention of existing scenic and natural areas through appropriate planning controls and seeks to ensure existing centres do not expand into 'surrounding non-urban hinterlands'.

While strategic centres are identified as priority locations for new housing opportunities, the Plan acknowledges that the centres of Kiama and Gerringong seek to rely primarily on infill development. It recommends the Local Housing Strategy explores ways to incentivise redevelopment in these centres to accommodate projected housing demand.

SUMMARY POINTS

- The plan encourages infill development within the centres of Kiama and Gerringong.
- Development controls are to be reviewed to ensure they create flexible and feasible conditions for increased housing supply.
- The Local Housing Strategies should set urban growth boundaries that delineate areas of acceptable urban growth.



Regional Economic Development Strategy 2018-2022

The Kiama Regional Economic Development Strategy 2018–2022 (Kiama REDS) sets out the long term economic vision and associated strategy for the Kiama LGA as administered by KMC.

The Kiama REDS builds on the endowments, economic strengths and specialisations within the Kiama LGA guiding investment during the 2018-2022 period. Economic principles suggest endowments and specialisations play a key role in regional economy development.

The Kiama REDS aims to leverage the Region’s endowments comprising water, climate and soils, location, accessibility and lifestyle, coastal, rural and natural environments, digital connectivity, healthcare infrastructure, highly educated labour force, Aboriginal and historic heritage and local institutions.

These endowments form the basis of the Region’s current specialisations in tourism, residential care services and agriculture, and potentially emerging sectors of professional, scientific and technical services and (specialised) manufacturing.

The Kiama REDS includes commentary on the proposed master plan for the redevelopment of Bombo Quarry as blue metal production winds down at the site. A concept plan for the quarry shows that the 110 ha site has potential to house between 6,000 and 7,000 residents, provide recreational opportunities, hotel, commercial and industrial space.

The Kiama REDS states that by releasing commercial land at the Bombo Quarry site, this will ease the current critical shortage of office space in Kiama and industrial land offers the potential to attract larger employers to Kiama. It further states the preparation and delivery of the Bombo Quarry Masterplan is a major medium term economic opportunity for the Kiama Region.

The Kiama REDS strategy would appear to need a longer term focus and emphasis rather than a period of 4 years from 2018. Whilst the Kiama REDS indicates a broad range of potential alternate uses for Bombo Quarry, given its somewhat isolated location and proximity to major arterial roads (Princes Highway), it would appear the non-residential land uses would be most appropriate.



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BRISBANE

Level 5, 131 Leichhardt Street
Spring Hill QLD 4000
Australia
T: +61 (0)7 3831 0577

DARWIN

Level 1, 48-50 Smith Street
Darwin NT 0800
Australia
T: 1300 799 343

TOWNSVILLE

233 Flinders Street East
Townsville QLD 4810
Australia
T: +61 (0)7 4771 5550

MELBOURNE

Level 13, 200 Queen Street
Melbourne VIC 3000
Australia
T: +61 (0)3 8648 6586

SYDNEY

Level 14, 25 Bligh Street,
Sydney NSW 2000
Australia
T: +61 (0) 2 9283 8400

PERTH

Level 2, 580 Hay Street
Perth WA 6000
Australia
T: +61 (0) 8 6555 4940

AFFILIATED OFFICES:**BANGKOK**

2024/129-130 Sukhumvit 50
Prakanong Klongtoey,
Bangkok, Thailand 10260
T: +66 2 107 0189

SHANGHAI

Level 35, 1st Building,
700 Liqun Road, Putuo District,
Shanghai, China 200333
T: +8618 516293312

aecgrouppltd.com

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