



15 August 2024

Ms Jane Stroud
CEO of Kiama Council
council@kiama.nsw.gov.au

Re: Kiama Growth and Housing Strategy – Leading Growth for Good

Dear Ms Stroud,

The Property Council of Australia welcomes the opportunity to provide feedback on the Kiama Growth and Housing Strategy (the Strategy). We acknowledge the efforts made by Kiama Council to develop this strategy to address the future growth and housing needs of the LGA.

About the Property Council

As Australia's peak representative of the property and construction industry, which employs more Australians than any other sector, the Property Council's members include investors, owners, managers and developers of property representing all asset classes across NSW. The property industry shapes our environment, communities and economy and has a long-term interest in seeing them prosper as vibrant and sustainable places.

The Property Council has a local presence in the Illawarra and Shoalhaven Region and understand the unique challenges of managing growth and development in LGAs like Kiama. We have previously made submissions to the Illawarra Shoalhaven Regional Plan 2041 (Region plan) as well as the Local Strategic Planning Statement 2020 and welcome this next step in delivering good growth outcomes for the LGA.

Our feedback

The Property Council acknowledges the efforts made to develop this strategy and support in principle the initiatives outlined, however, provide a number of recommendations below that we believe are crucial for the Strategy's overall success to support housing and growth in Kiama.

This Strategy outlines the role of Council to lead growth, stating it "seeks to not only meet the targets set for us in the short term but to think more broadly and into the future to plan so that our current and future community has what it needs."

The Property Council welcome this rhetoric, however, it appears inconsistent with what is being proposed in the Strategy. The Strategy is high-level and would benefit from further explanation on the practical steps Council is taking to unlock capacity for housing and employment to deliver on this objective.

The NSW Government's Local Housing Strategy Guideline provides councils with the tools to develop and exhibit their housing strategy. Although this Strategy contains many of the components within the guidelines, we are concerned with the lack of specifics around facilitation

of delivery. Without documenting specific actions and measures, it is difficult for both Council and industry to plan for the future and deliver the services the community requires.

Under the revised Statement of Expectations Order 2024, the NSW Government has outlined their intention to intervene when council's fail to meet their housing obligations. If industry is driven to enter state led planning pathways over local pathways, Kiama Council risks losing control over their ability to deliver their communities preferred development as well as levy developer contributions for the supporting infrastructure that is essential to garnering community support.

Stakeholder consultation

The current community engagement appears to be somewhat limited in scope. We urge the Council to broaden its consultation efforts to include a more comprehensive demographic cross-section, not only within Kiama but also in surrounding areas.

Expanding the engagement process would provide a more holistic understanding of community needs and perspectives, which is essential for crafting a robust and inclusive strategy.

We would also like to note that some development sites submitted with Affordable Housing components have been omitted. There is a need for transparency in the selection criteria for development sites and a clear plan for including Affordable Housing. Moreover, the omission of some sites and the lack of detail on planning for these sites could lead to inefficiencies and missed opportunities to deliver this type of housing in the Kiama LGA.

Demographic forecasting – Diverse housing for all

The Strategy provides a demographic snapshot of the LGA, highlighting that both age and median income are higher than the NSW average and forecasts an increase to both over the 20-year period.

The Strategy acknowledges the need for greater housing diversity for this current demographic as well as the necessary attraction of younger residents and key workers to the Kiama LGA who are essential in sustaining local services and economic activity.

In their recent research series, the NSW Productivity Commission has outlined the risk of not adequately addressing the housing needs of young people and key workers, while our population continues to age. An ageing population requires labour intensive services such as care whose workforce requires suitable housing close to this employment.

We acknowledge that the Strategy identifies the need for more Affordable Housing and generating employment (pp. 20-22), but there is insufficient detail on how these needs will be addressed. The Strategy must incorporate a detailed action plan to meet Affordable Housing targets. This includes a thorough assessment of current and future housing needs, clear guidelines for Affordable Housing contributions, and integration with broader regional plans. Specific targets and measures should be outlined to ensure these goals are met effectively, rather than deferring this to a future plan.

This Strategy should include the steps Council will take to address the needs of the younger workforce which will also be essential in retaining the characteristic of the LGA as a popular tourism and retirement location.

Community education

The Strategy does not adequately address the need for public education on the benefits of development, including Affordable Housing. Educating the community about the necessity and

benefits of diverse housing options is crucial for gaining public support and facilitating smoother implementation of the Strategy.

Identified sites – Bombo Quarry

Bombo Quarry has been an identified site for many years, with potential for great community outcomes if developed effectively. However, there are also unique challenges to the site that require ongoing analysis and reporting. This Strategy outlines a high-level overview of the development potential by highlighting the priorities for the area including housing options, open space, employment, and connectivity. However, we have identified some potential conflict with the estimated timing of housing delivery on the site as well as a lack of analysis on remediation and servicing to the site.

For Bombo Quarry, and other identified sites, the timelines for housing delivery appear overly optimistic. Development often faces delays, and the current estimates do not reflect the reality of development timelines. We have estimated a delivery timeline for Bombo Quarry that brings it to a medium time frame versus short-time frame as identified in this Strategy. Underestimating the delivery time frame places an over reliance on the Bombo Quarry site to deliver housing for the LGA and risks missing out on other potential sites that could be accelerated within the required period. We recommend that the Strategy take a more flexible approach to delivery timeframes in order to address this shortfall.

We have also identified a gap in detail for potential conflicts that industry and community would be interested in. This includes how land will be allocated for residential and employment, how this interacts with the Region Plan and what outcomes can be expected. As an operating quarry, there is a lack of specification on how remediation would occur and at what expense. Case studies of urban developed quarries indicate building quality as a potential risk. Identifying risks and mitigation strategies should be included in this Strategy. In doing so, it will help bridge the gap between the need for development and community expectations.

Prioritise serviced land

The Property Council supports the Strategy's objective to lead planning so that land is efficiently used, well-connected and serviced by enabling infrastructure. Often a common delay in both the planning and delivery stages of development, we recommend sites that can be serviced in the short term be advanced through planning approvals in order to provide the best opportunity for the LGA to meet its housing targets in this period. The Strategy should include some qualifying commentary around timing, allowing any identified site that is serviced or readily able to be serviced (with sewer, water & power) to be advanced without a timing restriction.

Ongoing review

We commend Kiama Council for the review process noted in the Strategy that will annually review housing delivery rates to make sure targets are being met. In addition to this annual review, we recommend Council move serviced land forward in the development program as it becomes apparent when targets are not being met.

Conclusion

In conclusion, while the Kiama Growth and Housing Strategy is a productive starting position to address future growth and housing needs, it falls short in several key areas that are critical for its successful implementation. The Property Council of Australia acknowledges the Council's intent to plan for the future but urges a more detailed and actionable approach.

To achieve the goals outlined in the Strategy, we recommend a revision that includes more specific measures for facilitating housing delivery and employment growth, the inclusion of a comprehensive Affordable Housing strategy, a community education campaign and a plan to accelerate serviced sites through the planning system.

By addressing these concerns and incorporating our feedback, Kiama Council will be better positioned to manage growth effectively, ensuring that both current and future residents benefit from well-planned and sustainable development. The Property Council remains committed to supporting the Council in refining this Strategy and looks forward to continued collaboration.

If you have any questions related to the matters raised in this letter, please feel free to contact me at mguido@propertycouncil.com.au

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Michelle Guido', written in a cursive style.

Michelle Guido

Illawarra Regional Director
Property Council of Australia