



Planning & Infrastructure

Office of the Director General

Mr Michael Forsyth
General Manager
Kiama Municipal Council
PO Box 75
KIAMA NSW 2533

11/22518

Dear Mr Forsyth

Thank you for providing a copy of the Council's adopted Kiama Urban Strategy (Strategy) for the Department's information.

The Department supports Councils in their strategic planning work by giving formal endorsement to settlement strategies such as the Kiama Urban Strategy. This not only recognises the effort and strategic approach Councils take in their planning, it also assists with the consideration of new planning proposals against Ministerial Directions issued under section 117 of the *Environmental Planning and Assessment Act 1979*.

In the case of the Kiama Urban Strategy, I share the Council's view the provision of affordable housing, particularly for first homebuyers, is a key issue for Kiama. I am pleased the Council has endorsed the consideration of a number of potential rezonings to contribute to housing supply in Kiama in the short term. I can confirm the Department is willing to consider planning proposals for these sites.

However, there are a number of concerns associated with the Kiama Urban Strategy that prevent it from formally being endorsed. Some of these key concerns relate to:

- a. The new release sites supported in the Strategy are unlikely to provide sufficient yields to meet the projected housing needs of Kiama as identified in the Illawarra Regional Strategy.

It appears Council has overestimated the development potential of land at Kiama Heights, is counting land already released at Elambra Estate, and has not sufficiently considered the potential delay to develop the Spring Creek lands (because of its location within the Bombo Quarry Buffer). As a result there may be as little as 60% of the yields suggested in the Strategy achieved within the 5 year timeframe for Stage 1. This has the potential to further exacerbate house prices and increase the pressure for consideration of inappropriate sites for urban expansion due to excessive infrastructure and servicing costs, as well as being impracticable to develop because of slope constraints (e.g sites 3, 4, 5 & 14 located south of Saddleback Mountain Road, west of the Kiama bypass).

- b. The Strategy does not provide sufficient certainty about the southern boundary of Gerringong as required under the Illawarra Regional Strategy. Land that Council has excluded from the Strategy at South Gerringong is potentially suitable for urban development given the location of adjoining residential areas on two sides, its proximity to a good commercial centre, good road and rail access and the availability of surplus utilities capacity. Even though Council has decided not to support consideration of South Gerringong, these qualities create a very real possibility a site compatibility certificate for

seniors housing will be lodged and the land will be developed for housing in a less coordinated and strategic way.

- c. The Strategy identifies a significant capacity for medium density housing that has now been made possible through the density controls contained in Kiama's new LEP. The conversion of this theoretical capacity into actual new medium density housing numbers will be a challenge and the Department is looking forward to working with the Council on strategies to help facilitate the delivery of medium density housing in the numbers anticipated.

I would be happy to offer the Department's assistance to work with you on these issues should the Council desire to revisit the Kiama Urban Strategy. I believe by working together an appropriate outcome can be achieved that meets our joint aims including improved housing affordability for the Kiama area.

Should Council wish to discuss this matter further I would encourage you to liaise with Mr Brett Whitworth, Regional Director, Southern Region. Mr Whitworth can be contacted on telephone number (02) 4224 9455.

Yours sincerely


Sam Haddad
Director General

15/2/2012.