

15.10 Submission - Rezoning Proposal - Kiama Depot

- CSP Objective: Outcome 3.3: We love where we live and are strongly connected within our region. Growth and development will be managed sustainably, thoughtfully and equitably, while preserving our built and natural heritage.
- CSP Strategy: 3.3.2 Manage development and growth sustainably and thoughtfully.
- Delivery Program: 3.3.2.1 Council meets the legislative requirements for Planning and Assessment.

Summary

This report recommends that Council endorse a submission prepared by Council's Planning staff to the NSW Department of Planning, Housing and Infrastructure (DPHI) on the Rezoning Proposal for the Kiama Depot (Shoalhaven Street Precinct) site.

The Rezoning Proposal seeks to amend the *Kiama Local Environmental Plan 2011* (LEP) and rezone the site from E4 General Industry to R3 Medium Density Residential which would support new housing opportunities.

Council's strategic planning team have reviewed the proposal and have prepared a draft submission to the DPHI (see Enclosure 1). An extension to the 3 December 2025 deadline was agreed by DPHI to enable this submission to be tabled at this Council meeting for endorsement by Council.

Financial implication

There are no direct financial implications associated with lodging the submission.

The outcome of the rezoning proposal will have financial implications to Council as Council is the landowner of the site subject to the rezoning proposal.

Risk implication

It is important to recognise that this rezoning proposal is a joint project between Council's commercial and property team (with input from nominated Planning Staff) and DPHI. From a probity perspective it is also important that Council's Planning Staff undertake a robust planning assessment, and that any relevant issues and comments are made and forwarded to the determining authority for their consideration.

It is noted that Council is not the determining authority for this rezoning proposal. All feedback from the community and Council will be assessed by DPHI and determined by the NSW Minister for Planning and Public Spaces.

Policy

The following were considered when preparing the submission:

- *Environmental Planning and Assessment Act 1979.*
- Council's Local Housing Strategy 2025.
- Council's Draft Employment Lands Strategy.
- DPHI Rezoning Guideline.

Consultation (internal)

The draft submission was prepared by Council's Strategic Planning team.

Advice was sought from Council's Heritage Advisor in relation to the heritage matters.

Communication/Community engagement

The public exhibition of the Rezoning Planning Proposal was carried out by DPHI. This included a number of community information sessions. The exhibition period ended on 3 December 2025. An extension of time was granted to Council from DPHI to enable this submission to be put to Council for endorsement prior to lodgement.

Attachments

Nil

Enclosures

- 1 Draft submission on Kiama Depot rezoning proposal [⇒](#)

RECOMMENDATION

That Council:

1. Endorse the submission to the Department of Planning, Housing and Infrastructure in response to the Rezoning Proposal – Kiama Depot (Enclosure 1) and forward it to Department of Planning, Housing and Infrastructure.
2. Note that the CEO and delegated staff will continue to engage with Department of Planning, Housing and Infrastructure in relation to the proposal and will advise Council once any rezoning decision is made.
3. After any decision on the rezoning made by the NSW State Government, the CEO will provide a report to a future Council meeting that will outline the process and next steps, alongside the proposed Council led community engagement process to arrive at suitable site-specific development controls for the site.

Background

The Department of Planning, Housing and Infrastructure (DPHI) is proposing an amendment to the *Kiama Local Environmental Plan 2011* (LEP) to rezone an area of land which includes the Kiama Depot site for residential development. The application is seeking to enable this change as it would support new housing opportunities in Kiama

The site, comprising three (3) lots at 5 Belvedere Street and 105-109 and 113 Shoalhaven Street, Kiama (Lots 101, 102, 103 DP 775450 Lot 2 DP 594528), is located approximately 350m from Kiama Railway Station and 500m from Kiama Town Centre.



Figure 1: Site location

The proposal seeks to enable the delivery of approximately 450 new homes to address the housing demand and need in Kiama through the rezoning of the site to R3 Medium Density Residential, the increase in maximum height of buildings from 11m to between 22 and 30m and increase the permissible floor space ratio (FSR) from 0.9:1 to 2.1:1.

It is acknowledged that materials shared by DPHI as part of the various community pop-ups caused concerns and confusion within the community. Images shown on the DPHI materials are indicative only and should not be viewed as final designs for the site.

Council and the community also recently worked on reviewing the height controls for the Kiama Town Centre and six storey buildings are now permissible in key areas of the town centre. It is noted that there are existing five and six-storey buildings at both Blue Haven Bonaira and Blue Haven Terralong.

Additionally, the proposed development standards are generally consistent with what is now permissible under the NSW Government's Low- & Mid-Rise Reforms. These reforms apply to residential areas within 800m of the Kiama Town Centre and Train Station. These reforms make six-storey developments permissible on any R3 Medium Density zoned land within 400m of the Town Centre or Train Station and four-storey developments permissible on any R3 zoned land within 800m. Much of the existing R3 zoned lands within Kiama (i.e. Barney, Brown, Bourrool, Farmer, Manning, Mears, Thomson, Terralong, and Shoalhaven Streets) are located within 800m of the Town Centre or Train Station. These reforms now establish the new density controls for Kiama. Acknowledging this, Council's adopted Local Housing Strategy contains an action to review R3 zoned areas within Kiama and Gerringong to consider further appropriate application of these reforms.

Following an assessment of the exhibition material available, Council staff have prepared a draft submission (Enclosure 1). Key items raised in the submission include:

- The proposal has Strategic Merit as the site has been identified in the recently endorsed Kiama Housing Strategy as a catalyst site that may be a suitable location for future housing. Its proximity to the Town centre and Train Station is

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attributes that will benefit future residents and provide the opportunity to create liveable, walkable and diverse housing within Kiama

- More detailed assessment of matters such as Flooding, Contamination and Heritage which are normally required for a rezoning (when assessed in accordance with the Local Planning Ministerial Directions by Council) should be undertaken to ensure certainty of suitability of the site for future development as proposed by the rezoning.
- A Heritage Impact Assessment is required to determine the suitability of the removal of the heritage Items as well as the removal of the site from the Heritage Conservation Area (HCA). The proposed removal of the site from the HCA is of particular concern to Council.
- The mechanism proposed to ensure the provision of the nominated percentage of affordable dwellings has not been included in the proposal. This should be specified and any proposed changes to the LEP included.
- Opportunities to facilitate local employment and services on the site.
- That a site-specific DCP be prepared which reduces building heights at site boundaries to better integrate future development into the HCA.
- A robust assessment of all non-negotiables listed in the adopted Local Housing Strategy as well as the constraints of the site ought to be undertaken prior to the designation of Planning Controls such as Zone, Height and Floor Space Ratio.

Conclusion

It is recommended that the draft staff submission be endorsed by Council and forwarded to DPHI for their consideration.