

15 REPORT OF THE DIRECTOR STRATEGIES AND COMMUNITIES**15.1 Determination of Development Application 10.2026.41.1: Lot 1 DP 1263679 - 17 Glenbrook Drive Kiama - Dual Occupancy (Attached) and Strata Title Subdivision.**

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

The purpose of this report is to seek Council's determination of Development Application No 10.2026.41.1 for the construction of a dual occupancy (attached) and Strata subdivision at Lot 1 DP 1263679 - 17 Glenbrook Drive, Kiama.

Development Application 10.2026.41.1 is being reported to Council because it proposes a clause 4.6 variation to clause 4.1E(4)(a) – minimum site areas for dual occupancies and multi-dwelling housing in Zone R2 in Kiama LEP 2011 of 11.4%. Determination of applications where clause 4.6 variations exceed 10% are not within staff delegations for determination and must be determined by the elected Council.

It is recommended that Council support the clause 4.6 variation to clause 4.1E(4)(a) and determine the proposed development by way of approval.

Financial implication

The Development Application fee has been paid in accordance with the Environmental Planning and Assessment Regulation 2021 and Council's adopted Fees and Charges.

If the application is approved a Local Infrastructure Contribution will be required to be paid in accordance with section 4.17 of the *Environmental Planning and Assessment Act 1979* and the Section 7.12 Contribution Plan.

If the application is refused, the application may be challenged in the NSW Land and Environment Court (LEC) and there would be costs associated with defending the refusal.

Risk implication

If the Development Application is refused, the determination may be challenged in the NSW Land and Environment Court (LEC).

If Council determines to refuse the application, the subject of this report, valid planning reasons must be provided. Additionally, as per Section 11.13 of the Code of Meeting Practice, Council must provide reasons for why it did not adopt the staff recommendation.

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- 15.1 Determination of Development Application 10.2026.41.1: Lot 1 DP 1263679 - 17 Glenbrook Drive Kiama - Dual Occupancy (Attached) and Strata Title Subdivision. (cont)

Policy

The statutory instruments relevant to the development include the following:

- State Environmental Planning Policy (Resilience and Hazards) 2021.
- State Environmental Planning Policy (Sustainable Buildings) 2022.
- Kiama Local Environmental Plan 2011.
- Kiama Development Control Plan 2020.
- Kiama Community Participation Plan 2019.

Consultation (internal)

The application was referred internally and to external agencies. All internal feedback was considered as part of this assessment.

Internal Referrals	
Referral	Comments
Contribution Planner	No objection subject to recommended conditions.
GIS	No objection subject to recommended conditions.
External Referrals	
Referral	Comments
Endeavour Energy (EE)	No objection subject to recommended conditions.
Sydney Water	No objection subject to recommended conditions.

Communication/Community engagement

Consultation has occurred in accordance with Section 8 of the Kiama Community Participation Plan 2019, namely by:

- Directly notifying adjoining property owners of the exhibition period.
- Making all information publicly available on Council's DA Tracker between 7 April 2026 and 21 April 2026.

No submissions were received in response to the DA.

Attachments

Nil

Enclosures

- 1 10.2026.41.1 - Section 4.15 Assessment Report [↗](#)

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- 2 10.2026.41.1 - Plans [⇒](#)
 3 10.2026.41.1 - Strata Plan Details [⇒](#)
 4 10.2026.41.1 - Notice of Determination - Approval [⇒](#)

Item 15.1

RECOMMENDATION

That Council:

1. Support the request to vary a development standard 4.1E(4)(a) under the Kiama LEP 2011 made pursuant to Clause 4.6 of Kiama Local Environmental Plan 2011 for the variation to the minimum site area for dual occupancies in R2 Zone associated with Development Application No 10.2026.41. (PAN- 620085) at Lot 1 DP 1263679 - 17 Glenbrook Drive, Kiama.
2. Approve, subject to conditions of consent set out in enclosure 3, Development Application No 10.2026.41.1 (PAN-620085) for the construction of a dual occupancy (attached) and Strata subdivision at Lot 1 DP 1263679 - 17 Glenbrook Drive, Kiama.

Background

APPLICATION DETAILS	
Application Type:	Development Application
Application Number:	10.2026.41.1
NSW ePlanning Portal Reference:	PAN-620085
Proposed Development:	Strata title subdivision and new dual occupancy (attached) - Construction of an attached dual occupancy and strata title subdivision.
Applicant:	Gracia Building Design Pty Ltd
Property title:	Lot 1 DP 1263679
Property address:	17 Glenbrook Drive, Kiama

The site

The subject site is described as Lot 1 DP 1263679 - 17 Glenbrook Drive, Kiama.

The subject site has a frontage to Glenbrook Drive and is currently vacant. The site is zoned R2 under the Kiama LEP 2011.

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The surrounding area is residential in character, and the site is adjoined by low density residential development to the north, south and west, and Spring Creek to the east.



Figure 1 - Aerial photograph of 17 Glenbrook Drive

The Proposed Development

The proposal includes:

- Construction of a dual occupancy (attached).
- Associated vehicular crossings and driveways to each dwelling.
- Associated earthworks and landscaping.
- Associated 2 x Lot Strata Title Subdivision.

Key Issues

The following key issues are relevant to the assessment of this application having considered the relevant planning controls, referral comments and the proposal in detail.

1. Clause 4.1E 'Minimum Site Areas for Dual Occupancies and Multi Dwelling Housing' in Zone R2.
2. Compliance with planning controls, environmental planning instruments and Kiama DCP 2020

Variation to clause 4.1E 'minimum site areas for dual occupancies and multi dwelling housing' in zone R2.

The application seeks to vary the clause 4.1E development standard for minimum site areas for dual occupancies and multi dwelling housing in the R2 Low Density Residential zone pursuant to clause 4.6 of the Kiama LEP 2011. The proposal seeks an 11.4% variation to the development standard.

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The application has been supported by a clause 4.6 variation to the clause 4.1E development standard which demonstrates that compliance with the development standard is unreasonable in the circumstances of the case and that there are sufficient environmental planning grounds to justify contravention of the development standard.

Clause 4.1E(4)(a) requires that for dual occupancies within the R2 zone, 300m² be provided for each dwelling i.e. a total of 600m² is required for a dual occupancy. The subject site has a total area of 532.2m² which represents a shortfall of 68.8m² (11.4%).

It must be noted that clause 4.1E of Kiama LEP 2011 does not include any clause objectives, however, the apparent purpose of the standard is to ensure that land proposed for dual occupancy development has sufficient area to accommodate two dwellings while maintaining an appropriate low density residential character and acceptable levels of residential amenity.

The application demonstrates that an otherwise generally compliant dual occupancy can be sited on the land without significant adverse impact to adjoining properties. Specifically, the proposed development.

- provides compliant building setbacks and separation;
- provides adequate private open space, landscaping and opportunities for planting for each dwelling;
- provides the required car parking, vehicle access and waste storage without excessive dominance of hardstand areas;
- achieves acceptable solar access, visual privacy and acoustic privacy for the proposed dwellings and adjoining properties;
- maintains an appropriate building footprint, scale and presentation within the R2 Low Density Residential zone; and
- provides satisfactory arrangements for stormwater drainage and servicing.

The proposed development is also consistent with the objectives of the R2 Low Density Residential zone.

The proposal achieves the underlying planning purpose of clause 4.1E(4), notwithstanding the numerical non-compliance. The applicant has therefore demonstrated that strict compliance with the development standard is unreasonable and unnecessary in the circumstances of this particular development.

The Applicant's clause 4.6 variation also demonstrates that the proposed development is consistent with the objects of the *Environmental Planning and Assessment Act 1979*, specifically in that it promotes the orderly and economic use and development of land and promotes good design and amenity of the built environment.

Compliance with planning controls, environmental planning instruments and Kiama DCP 2020

The proposal is generally compliant with the applicable planning controls, environmental planning instruments and Kiama DCP 2020. A detailed assessment of the proposal is included in the Section 4.15 Assessment Report (enclosure 2).

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Options

1. Adopt the recommendation and approve to the application, subject to conditions in enclosure 3.
2. Refuse the application and provide reasons.
3. Adopt an alternative recommendation and provide reasons.

Conclusion

A comprehensive assessment of the Development Application has been undertaken under section 4.15 of the *Environmental Planning and Assessment Act 1979* in accordance with all statutory requirements.

It is recommended that the application be approved subject to conditions of consent.

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15.2 Endorse for Gateway: Planning Proposal PP-2026-1778 - South Kiama Urban Release Area Housekeeping

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.

Item 15.2

Summary

The purpose of this report is to seek Council's endorsement to submit the South Kiama Urban Release Area Housekeeping Planning Proposal PP-2026-1778 to the NSW Department of Planning, Housing and Infrastructure (DPHI) for Gateway Determination to make amendments to the *Kiama Local Environmental Plan 2011*.

This Planning Proposal (PP) proposes to amend the Kiama Local Environmental Plan (LEP) 2011 in response to the adoption of Council's Local Housing Strategy, site specific DCP, executed Planning Agreement, endorsed Conservation Management Plan (CMP), Draft Employment Lands Strategy, approved Stage 1 Development Application (DA) and the DA that has recently been lodged for Stage 2 and 3.

Draft amendments to Kiama DCP Chapter 12.11 South Kiama Urban Release Area (see Enclosure 2) have also been prepared to support the Planning Proposal.

It is recommended that Council endorse Planning Proposal PP-2026-1778 (Enclosure 1) and submit it to the NSW Department of Planning, Housing and Infrastructure (DPHI) for a Gateway Determination. If a Gateway Determination is made, the Planning Proposal and Draft DCP Amendments would be placed on public exhibition to enable community, stakeholder, and state agency consultation to occur.

Financial implication

The preparation of Housekeeping Planning Proposals forms part of the Strategic Planning Team's work program and is funded by existing resources within the existing budget. There are no financial implications arising from this Planning Proposal.

The amendments to the DCP were also completed using existing resources.

Risk implication

Housekeeping Planning Proposals are required to ensure that the LEP remains current and includes minor tidy ups and minor adjustments to ensure consistency and that the LEP operates as intended.

If the Planning Proposal is not supported there is the risk that environmental lands will not be protected, that land for public open space is not secured and that employment lands are not provided on the site. There is also a risk that land for the Weir Street extension is not available when the road is required to be constructed.

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15.2 Endorse for Gateway: Planning Proposal PP-2026-1778 - South Kiama
Urban Release Area Housekeeping (cont)

Policy

The Planning Proposal has been prepared and assessed in accordance with:

- *Environmental Planning and Assessment Act 1979.*
- Local Environmental Plan Making Guideline, DPHI, July 2026.
- Relevant Ministerial Directions issued under s9.1 of the *Environmental Planning and Assessment Act*.
- Illawarra Shoalhaven Regional Plan 2041 (DPHI, 2021).
- Kiama Council's Local Strategic Planning Statement (2020, updated 2025).
- Kiama Council's Local Housing Strategy, 2025.
- Kiama Council's Planning Proposal Policy, 2023.
- Kiama Council's Community Participation Plan, 2019.

Council's Planning Proposal Policy states that Council will prepare two 'housekeeping' PP's per calendar year. Should Council resolve to undertake this PP, it will be the first of the calendar year and therefore consistent with this policy.

Consultation (internal)

The proposal has been discussed within the Planning and Development team.

Communication/Community engagement

Should the Planning Proposal be supported and Gateway Determination issued by the DPHI, the determination will outline the duration and extent of public exhibition required with the community, and which state agencies Council must consult with.

The LEP Making Guideline recommended period of public exhibition for a 'Standard' Planning Proposal is 20 working days (ie 28 calendar days). The Kiama Council Community Participation Plan (2019) has a minimum public exhibition period of 28 calendar days to enable community feedback, so these timeframes align.

The Planning Proposal will be advertised on Council's Your Say page, with a link to the NSW Planning Portal for additional information and where submissions can be made.

Attachments

Nil

Enclosures

- 1 Planning Proposal Report - South Kiama Urban Release Area Housekeeping [⇒](#)
- 2 Kiama DCP 2020 - Draft Amendments to Chapter 12.11 [⇒](#)

RECOMMENDATION

That Council

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15.2 Endorse for Gateway: Planning Proposal PP-2026-1778 - South Kiama Urban Release Area Housekeeping (cont)

1. Endorse the South Kiama Urban Release Area Housekeeping Planning Proposal PP-2026-1778 for the purpose of seeking a Gateway determination.
2. Submit Planning Proposal PP-2026-1778 to the Department of Planning, Housing and Infrastructure for a Gateway determination and identify that Council is seeking to be authorised as the Local Plan Making Authority.
3. Delegate to the Chief Executive Officer to undertake the necessary actions to comply with any conditions of a Gateway Determination, including public exhibition and consultation with the community, key authorities and government agencies.
4. Place the Draft amendments to the Kiama Development Control Plan 2020 site specific Chapter 12.11 South Kiama Urban Release Area on public exhibition concurrently with Planning Proposal PP-2026-1778.
5. Receive a further report regarding the finalisation of the Planning Proposal and adoption of the amendment to Kiama Development Control Plan 2020 Chapter 12.11.

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Background

A Local Environmental Plan (LEP) establishes the statutory planning controls for land including the zone, permissible and prohibited development, minimum lot size, height limits and floor space ratio. The LEP also includes provision for land to be identified as an *Urban Release Area (URA)*.

Planning Proposal

A Planning Proposal (PP) is the process to amend the zoning or development standards in a Council's LEP.

The PP process is set out in the *Local Environmental Plan Making Guidelines* (NSW Department of Planning, Housing and Infrastructure, July 2026). A summary of the steps in the process for a Council led PP is:

Stage 1: Pre-lodgement Scoping proposal – Not required for Council led PP.

Stage 2: Planning Proposal – PP Report prepared by staff, endorsed by Council.

Stage 3: Gateway Determination – assessed and issued by DPHI.

Stage 4: Post Gateway – Council (or PPA) actions Gateway requirements.

Stage 5: Public Exhibition and Assessment – actioned by the Council (or PPA).

Stage 6: Finalisation of the change to the LEP- Council endorsed, PCO drafts LEP changes and finalised by DHPI.

The site

The site (see Figure 1) borders Saddleback Mountain Road to the north, Weir Street to the south and the Princes Highway to the east. The site is approximately 40 hectares in land area and will accommodate approximately 400 lots/dwellings.

The South Kiama Urban Release Area includes the following land:

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15.2 Endorse for Gateway: Planning Proposal PP-2026-1778 - South Kiama
Urban Release Area Housekeeping (cont)

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- Lot 1 DP 707300, 40 Saddleback Mountain Road, Kiama.
 - Lot 5 DP 740252, 51 South Kiama Drive, Kiama.
 - Lot 21 DP 1321444, Weir Street, Kiama Heights.
 - Part of Lot 102 DP 1077617, 8 Weir Street, Kiama Heights.
 - Lot 10 DP 740252, off Princes Highway, Kiama.
 - Lot 11 DP 740252, off Princes Highway, Kiama.

Note: The historic Kendall's Cemetery (Lot 3 DP 258605) is located within the site but does not form part of the Urban Release Area (URA) or this Planning Proposal.

Initial rezoning

The South Kiama Urban Release Area was rezoned for urban development in 2022 by the then NSW Minister for Planning and Homes through a rezoning review process.

Finalisation of the rezoning review included an Independent Review Report which identified outstanding matters. While some of these were addressed prior to the rezoning being finalised, the Department acknowledged that the remaining outstanding matters could be satisfactorily addressed following rezoning. Some of these outstanding matters have since been resolved through further master planning and the preparation of a site-specific Development Control Plan as well as the Stage 1 DA assessment process. There remain, however, outstanding issues that can only be resolved through a Planning Proposal.

Stage 1: Pre-lodgement Scoping proposal

Not required for a Council led PP.

Stage 2: Planning Proposal – PP Report prepared by staff, endorsed by Council.

The Planning Proposal has been prepared in response to the following:

- **DCP Chapter 12.11** - adopted by Council in February 2025, this site-specific DCP chapter includes a concept masterplan and indicative staging plan. The planning controls now need to be updated to respond to this.
- **Local Housing Strategy** – endorsed by Council in July 2025, this strategy establishes non-negotiable principles for greenfield development. The planning controls now need to be updated to respond to this.
- **Planning Agreement** - entered into between the Developer and Council in December 2025, this agreement includes the provision of public open space (local parks) and environmental management of riparian corridors. The planning controls now need to be updated to respond to this.
- **Conservation Management Plan (CMP)** – endorsed by Council in December 2025, the CMP aims to protect and manage heritage items including Kendall's Historic Cemetery and Walls of Barroul (dry stone walls).
- **Stage 1 DA** – the Stage 1 subdivision was approved in December 2026 and includes the provision of a local park and riparian corridors. The planning controls now need to be updated to respond to this.

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15.2 Endorse for Gateway: Planning Proposal PP-2026-1778 - South Kiama
Urban Release Area Housekeeping (cont)

- **Draft Employment Lands Strategy** - endorsed by Council in August 2025, this strategy identifies the need for local services (retail) including around 2,000sqm of land area to enable approximately 500sqm of GFA. The planning controls now need to be updated to respond to this.
- **Stage 2 and 3 DA** – the DA for the subdivision of Stage 2 and 3, including associated works, has been lodged and is currently under assessment. The planning controls are proposed to be updated to respond to this.

The Planning Proposal seeks to amend the Kiama LEP 2011 via the following:

1. Rezone land for three local parks (as identified in the DCP Concept Plan and Planning Agreement) to RE1 Public Recreation.
2. Rezone land for riparian corridors (as identified in the DCP Concept Plan and Planning Agreement and final subdivision layout) to from RU2 Rural Landscape to C3 Environmental Management.
3. Rezone an area of R2 Residential to E1 Local Centre to provide for employment lands for local services (as identified in the Draft Employment Lands Strategy).
4. Increase the density surrounding Kendall's Park by reducing the minimum lot size from 450sqm to 300sqm and increasing the FSR from 0.45:1 to 0.6:1.
5. Amend the Floor Space Ratio for all R2 Low Density Residential from 0.45:1 to 0.5:1 (note, no change to the 0.6:1 FSR).
6. Remove the Heritage Map layer from the unformed road adjacent to Kendall's Cemetery.
7. Minor amendments to planning controls to align with proposed subdivision lot layout.
8. Add a land reservation acquisition layer for the Weir street extension and update clause 5.1(2) of the Kiama LEP 2011 to include Local Road with Council as the Authority.
9. Rezone a section of road reserve to align with the adjoining residential controls.

The Planning Proposal seeks to amend the following Kiama LEP 2011 map sheets:

- i. Land Zoning Map – LZN Sheets 12 and 13
- ii. Lot Size Map – LSZ Sheets 12 and 13
- iii. Height of Buildings – HOB Sheets 12 and 13
- iv. Floor Space Ratio – FSR Sheets 12 and 13
- v. Heritage Map – HER Sheet 12
- vi. Land Reservation Acquisition Map – LRA Sheet 13
- vii. Urban Release Area Map – Sheet 13

The proposed changes are also supported by amendments to the Kiama Development Control Plan 2020, Chapter 12 Site Specific Controls, Chapter 12.11 South Kiama

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15.2 Endorse for Gateway: Planning Proposal PP-2026-1778 - South Kiama
Urban Release Area Housekeeping (cont)

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Urban Release Area (see Enclosure 2), primarily the addition of controls for the proposed employment land.

The Local Environmental Plan Making Guidelines outline that for a Gateway Determination to be issued a Planning Proposal is required to satisfy the:

1. Strategic Merit test
2. Site-Specific Merit test
3. All relevant s9.1 Ministerial Directions
4. All relevant State Environmental Planning Policies (SEPPs)

1. Strategic Merit test

The strategic merit test poses three main criteria for assessing the strategic merit of a Planning Proposal. Proposals must be:

1. *Give effect to the state land use plan and relevant region plan, applying to the site. This includes any draft strategic plans release for public comment or a place strategy for a strategic precinct including any draft place strategy; or*
2. *Demonstrate consistency with the relevant LSPS or strategy or action as part of a region plan; or*
3. *Respond to a change in circumstances, that has not been recognised by the existing planning framework.*

Assessment of the Strategic Merit test is provided at Sections 3.1 to 3.4 of the PP Report (Enclosure 1). In summary, the Strategic Merit test has been fully satisfied.

2. Site-Specific Merit test

The Planning Proposal must demonstrate that it has site-specific merit. In order to establish site-specific merit, the PP must meet the following criteria.

1. *The natural environment (including known significant environmental values, resources or hazards).*
2. *The existing uses, approved uses and likely future uses of land in the vicinity of the land subject to the proposal.*
3. *The services and infrastructure that are or will be available to meet the demands arising from the Planning Proposal and any proposed financial arrangements for infrastructure provision.*

Assessment of the Site-Specific Merit test is provided at Sections 3.1 to 3.4 of the PP Report (Enclosure 1). In summary, the Site-Specific Merit test has been fully satisfied.

3. Ministerial Directions

Assessment of the PP against each of the relevant Ministerial Directions is provided at Section 3.5 of the PP Report (Enclosure 1). In summary, all Directions have been satisfactorily addressed.

4. State Environmental Planning Policies

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15.2 Endorse for Gateway: Planning Proposal PP-2026-1778 - South Kiama Urban Release Area Housekeeping (cont)

Assessment of the PP against each of the relevant SEPPs is provided at Section 3.6 of the PP Report (Enclosure 1). In summary, all relevant SEPPs have been satisfactorily addressed.

In summary, the PP has satisfied all of the requirements in the LEP Making Guideline.

Stage 3: Gateway Determination – issued by DPHI

Should the recommendations in this report be endorsed, the next steps are for the PP to be submitted to the DPHI for a Gateway determination. Council should also advise that they are seeking to be authorised as the Local Plan Making Authority (LPMA). The LPMA is the authority responsible for making the LEP as identified by the Gateway determination. This may be the Minister (or delegate) or the relevant council.

Stage 4: Post Gateway – Council (or PPA) actions Gateway requirements.

The Gateway determination may include conditions requiring additional information, public exhibition and consultation with key authorities and Government agencies which will be actioned by Council staff accordingly.

Stage 5: Public Exhibition and Assessment

Once all additional information, agency engagement has occurred, the PP will be placed on public exhibition in accordance with Council's Community Participation Plan (CPP) 2019 and the Gateway conditions. This includes making the PP documents publicly available for a minimum of 28 days and notifying affected stakeholders.

Stage 6: Finalisation of the change to the LEP- Council endorsed, finalised by DPHI.

Following this consultation process, the PP would be reported back to Council with a recommendation that the proposal is progressed to finalisation and that Council use its plan making delegations to finalise the relevant amendments to Kiama LEP 2011.

To amend the Kiama LEP 2011, Council must request the NSW Parliamentary Counsel's Office (PCO) to draft the legal instrument that will give effect to this PP in accordance with section 3.36(1) of the Environmental Planning & Assessment Act, 1979. Following receipt of the final legal instrument and mapping, Council will refer the final instrument to the NSW DPHI for review and Gazettal in the Government Gazette and NSW Legislation website.

Development Control Plan (DCP)

To support the proposed amendments, the PP is accompanied by draft amendments to Kiama DCP Chapter 12.11 South Kiama Urban Release Area (see Enclosure 2).

The proposed amendments and additions include.

- Update Concept Plan to include neighborhood shops (Figure 3 on page 8).
- Update the principles of Character Area 3 to include neighborhood shops (page 9).
- Correct a typographical Error in the zero lot line controls (page 18).
- Introduce Section 18 – Objectives and Controls for Employment Lands (page 60).

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15.2 Endorse for Gateway: Planning Proposal PP-2026-1778 - South Kiama
Urban Release Area Housekeeping (cont)

Conclusion

This Planning Proposal seeks to amend the Kiama Local Environmental Plan 2011 to make housekeeping amendments to the South Kiama Urban Release Area including for environmental, public open space, employment land and transport infrastructure purposes.

It is recommended that Council support Planning Proposal PP-2026-1778 (Enclosure 1) and submit it to the Department of Planning, Housing and Infrastructure for a Gateway Determination.

It is also recommended that the draft amendments to the Kiama Development Control Plan (DCP) 2020 Chapter 12.11 be endorsed for public exhibition along with the Planning Proposal.

The outcome of the public exhibition will then be reported back to Council, along with recommendations regarding finalisation of the PP and adoption of the DCP updates.

Item 15.2

15.3 Incoming donation: Kiama Library shelving

CSP Objective: Outcome 1.1: We value a strong sense of belonging, where social and cultural life thrives, and residents, families, friends and visitors feel welcome and included..

CSP Strategy: 1.1.1 Support and deliver the initiatives that encourage community connection and social interaction for all residents

Delivery Program: 1.1.1.4 Create welcoming, vibrant and accessible library spaces to build a stronger library community.

Item 15.3

Summary

The Friends of Kiama Library have generously donated \$11,412.90 to support the retrofitting of shelving in the Youth and Children's area of Kiama Library, creating a more flexible and adaptable space for programs, events and community activities. This report seeks acceptance of this donation which aligns with both Council's approach to community contributions and the Friends' constitutional objective of providing practical assistance to enhance library services and facilities.

Financial implication

Nil - project will be funded by the donation.

Risk implication

- Compliance - potential breaches of the Code of Conduct.
- Transparency - lack of process, documentation and reporting.
- Financial - no record keeping.

Policy

Incoming Donations and Bequests Policy

Consultation (internal)

Executive Leadership Team

Managers

Governance

Communication/Community engagement

Nil

Attachments

Nil

Enclosures

Nil

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15.3 Incoming donation: Kiama Library shelving (cont)

RECOMMENDATION

That Council:

1. Gratefully accept the donation of \$11,412.90 from the Friends of Kiama Library, a not for profit organisation, for shelving at Kiama Library.
2. Delegate to the Chief Executive Officer to formally thank the Friends of Kiama Library for the generous donation.

Item 15.3

Background

Council recognises incoming donations as an important means of enhancing community programs, services, events, and assets. This approach is consistent with, and supported by, the constitution of the Friends of Kiama Library.

The Friends of Kiama Library is a not for profit organisation, established to support the Library in accordance with their constitution, including object (e) “*to provide support for the Library and its collections through practical assistance, fundraising, and the encouragement of gifts, sponsorships, endorsements and other activities,*” and have generously offered a donation of \$11,412.90.

This funding will be used to retrofit existing shelving in the Youth and Children’s area to enable improved mobility. The upgrade will allow shelving units to be more easily repositioned, creating a flexible space that better supports the delivery of large-scale programs, events, and community activities within the Library.

This initiative aligns with the Friends’ objective of providing practical assistance to enhance library services and facilities for the community.

Community, library staff and the Friends committee will benefit by having access to a more flexible and adaptable space, enhancing the delivery of programs and events at Kiama Library.

15.4 Post exhibition endorsement: Kiama Visitor Economy Strategy 2035

CSP Objective: Outcome 3.2: We have an economy that balances tourism opportunities with resident needs and ensuring we don't lose our community feel.

CSP Strategy: 3.2.1 Thoughtfully manage tourism development and the visitor economy.

Delivery Program: 3.2.1.1 Provide strategic leadership and advocacy to support a sustainable visitor economy.

Item 15.4

Summary

The purpose of this report is to present the outcomes of the public exhibition of the Draft Kiama Visitor Economy Strategy 2035 (VES), consider community and stakeholder feedback received during the exhibition period, and seek Council adoption of the amended Strategy.

Exhibition submissions generally supported the Strategy's focus on sustainable tourism growth, protection of local character and environmental values, diversification of visitor experiences, improved accessibility and transport connections, visitor dispersal and longer stays. Feedback also highlighted the importance of recognising and incorporating visitor economy priorities within broader Council strategic planning, particularly where future land-use, employment and housing strategies may influence tourism assets and destination appeal.

Feedback received during exhibition prompted a number of minor refinements and amendments to the Strategy. Details of these amendments are provided to Councillors the two accompanying enclosures, the Draft Visitor Economy Strategy 2035 and Post-Exhibition Engagement Report, demonstrating how community feedback has been considered in the final document.

Financial implication

Some initiatives identified in the Strategy will be considered through future operating budgets via Council's Delivery Program and Operational Plan, and may also be supported through external funding mechanisms, including grants and State Government partnerships.

Risk implication

Adoption of the Strategy provides a clear framework for visitor economy planning and management, while balancing economic, community and environmental considerations. Public exhibition has reduced implementation risk through community and stakeholder input into the final document.

Policy

The draft VES aligns with Council's Community Strategic Plan, Local Housing Strategy and Kiama Cultural Plan, and is aligned with the Destination NSW Visitor Economy Strategy 2035, NSW 24-Hour Economy Strategy, Destination Sydney Surrounds South Destination Management Plan and the Regional Economic Development Strategy.

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15.4 Post exhibition endorsement: Kiama Visitor Economy Strategy 2035 (cont)

Consultation (internal)

Draft prepared in consultation with Council's Planning and Development, and Community Outcomes departments.

Councillors and Council's Tourism & Economic Advisory Committee (TEAC) were involved in a workshop 12 June 2025.

Tourism and Economic Advisory Committee (TEAC) were presented the draft action plan for feedback at the meeting of 22 January 2026.

There will be future internal workshops to progress components of the draft VES to ensure integrated planning with such items as precinct activation, and cultural development.

Communication/Community engagement

As part of preparing the VES the following engagement activities occurred between May and June 2025 (refer to enclosed Engagement Report).

- Two community popups at Kiama Farmers' Market (50+ people engaged).
- Online survey (104 responses).
- 430+ visits to the 'Your Say' project page during the consultation period.
- 32 key stakeholder interviews.

During the exhibition process, Council:

- Attended one community pop-up at Kiama Farmers Market.
- Received 14 submissions during the exhibition period, with an additional two submissions accepted after the closing date.

Attachments

Nil

Enclosures

- 1 Draft Kiama Visitor Economy Strategy 2035 - Post exhibition amendments (tracked changes) [⇒](#)
- 2 Post exhibition engagement report - Visitor Economy Strategy 2035 [⇒](#)

RECOMMENDATION

That Council: -

1. Receive and note the outcomes of the public exhibition of the Draft Kiama Visitor Economy Strategy 2035 detailed in the post exhibition engagement report.
2. Adopt the Kiama Visitor Economy Strategy 2035 incorporating the amendments detailed in this report.
3. Note that the Kiama Visitor Strategy 2035 replaces the Tourism and Events Strategic Plan 2026 and the Tourism Opportunities Plan 2018.

Background

Council endorsed the Draft Visitor Economy Strategy 2035 for public exhibition from 25 May to 22 June 2026. The Strategy provides a contemporary framework to guide visitor economy development over the next decade and consolidates Council's previous tourism strategies into a single document and aligns with Destination NSW's Visitor Economy Strategy 2035.

Vision, goals and focus areas

The VES is underpinned by the following vision:

Kiama will inspire visitors with authentic coastal experiences that connect them to nature, heritage and community, as a sustainable, culturally rich and community supported destination where visitors stay longer, do more and contribute to a thriving local economy, vibrant culture and protected environment.

The VES seeks to grow the economic contribution of visitors while protecting the environmental, cultural and community values that make Kiama an attractive place to live and visit. It establishes five strategic goals:

1. Grow High-Value Visitation;
2. Diversify Experiences and Markets;
3. Enhance Infrastructure and Accessibility;
4. Build Industry Capability and Workforce; and
5. Activate the Night-Time and Cultural Economy.

These goals are supported through five focus areas and a phased implementation program that includes destination brand and marketing, experience and product development, infrastructure, access and sustainability (including transport and accessibility improvements, accommodation planning, industry capability building, Aboriginal tourism opportunities, precinct activation) and development of the night-time and cultural economy.

Key distinctions from earlier strategies

Compared with earlier plans, the VES introduces several shifts in emphasis:

- Community focussed, reaffirming that tourism should enhance, not compromise, local lifestyle, with community benefit and stewardship embedded in goals and actions.
- Visitor dispersal, identifying personalities for Kiama's towns and villages while ensuring a connected destination to spread economic benefit, reduce pressure on peak locations and support village identities.
- Experience diversification and bookability, prioritising the quality, diversity and commercial readiness of experiences, particularly in emerging sectors such as wellness, agritourism, marine tourism, cultural and creative experiences and soft adventure, to support longer and off-peak stays.

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15.4 Post exhibition endorsement: Kiama Visitor Economy Strategy 2035 (cont)

- A stronger focus on the night-time and cultural economy, aligned with the development of Council's future Night-time Economy Strategy.

Key strategic directions included for public discussion

To ensure transparency during public exhibition, the Draft Strategy identifies a number of longer-term strategic directions for community feedback, further investigation and feasibility testing. These directions do not represent commitments, but provide clarity on potential future approaches, these concepts include:

- Blowhole Point Precinct, including the investigation of improved visitor management, all weather blowhole viewing and illumination opportunities, interpretation, and consideration of longer-term precinct planning, noting Crown Land tenure, environmental and cultural sensitivity interest in this area.
- Kiama Harbour activation, including potential improvements to pedestrian connectivity between the town centre, precinct activation and visibility for existing marine based operators, subject to State agency collaboration.
- Future accommodation opportunities, including investigation of demand for higher quality accommodation in appropriate locations, subject to planning, land tenure, feasibility and community values.
- Bombo Headland and Quarry area, including investigation of geotourism and soft adventure concepts such as bouldering or climbing, noting this land is not Council owned and any proposal would require State landowner support, environmental assessment and safety feasibility.
- Activation of the Kiama Coast Walk, including the potential to position the walk as a multi-day, signature visitor experience, subject to amenities, permits, environmental assessment and partnerships.
- Night-time and cultural economy initiatives, including precinct based approaches to improve evening activity while managing residential amenity through safety, place management and transport measures.
- Aboriginal led visitor experiences, progressed through culturally appropriate, Traditional Owner led governance, capacity building and engagement.

In response to themes identified through engagement, the final Strategy prioritises actions to:

- Partner with industry and advocacy groups, including Kiama Business Network and Business Illawarra, to advocate for improved transport access and precinct outcomes.
- Collaborate with Destination Sydney Surrounds South and Destination NSW on data led destination marketing aimed at reducing seasonality.
- Support ticketed experience development and capacity building through appropriate funding programs to grow Kiama's product offerings.
- Progress Council's Night-time Economy Strategy and strengthen the local events calendar, including Council delivered signature events such as the Kiama Winter Festival.

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15.4 Post exhibition endorsement: Kiama Visitor Economy Strategy 2035 (cont)

Implementation and performance monitoring will occur through Council's existing governance framework, with quarterly updates to the Tourism and Economic Advisory Committee and annual reporting through Council's Delivery Program and Operational Plan.

Exhibition

During the exhibition period, Council received 14 submissions, with an additional two submissions accepted after the exhibition closed. Feedback demonstrated broad support for the overall direction of the Strategy, with no submissions seeking changes to the vision, strategic goals or overall strategic direction.

Key themes raised through submissions included protection of local character and environmental values, agritourism, visitor dispersal, accessibility and transport, active recreation, family-friendly experiences, and opportunities associated with the Harbour and Blowhole Point Precinct.

As a result of the exhibition process, a number of minor amendments have been incorporated into the Strategy. These amendments strengthen references to agritourism, visitor dispersal, accessibility, active transport, family-friendly experiences, interpretation and visitor experience opportunities, and include several factual clarifications.

The exhibition outcomes confirm broad community and stakeholder support for the Strategy's vision, strategic goals and implementation framework. Feedback received through submissions was largely consistent with the Strategy's identified priorities and reinforced the importance of balancing visitor economy growth with environmental stewardship, community wellbeing, accessibility, visitor dispersal and protection of local character. As a result, only minor amendments have been incorporated, and adoption of the Strategy is now recommended.

15.5 Post exhibition endorsement: Planning Proposal PP-2025-1821 - 2 Caliope Street Kiama

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.

Item 15.5

Summary

The purpose of this report is to seek Council's endorsement to finalise Planning Proposal PP-2025-1821 to rezone 2 Caliope Street, Kiama (Lot 672 DP 1308222).

This PP seeks to amend the Kiama (LEP) 2011 as follows:

- Rezone the western part of the site to Zone R2 Low Density Residential with a minimum lot size of 450sqm, floor space ratio of 0.5:1 and 8.5m height limit.
- Extend the existing C2 Environmental Conservation zoning to encompass a vegetated area of Illawarra Ziera.
- Rezone the remainder of the site from RU2 Rural Landscape to C3 Environmental Management.
- Increase the Terrestrial Biodiversity area to encompass the Illawarra Ziera.

The PP was supported to proceed to Gateway by Council on 17 February 2026 and the Department of Planning, Housing and Infrastructure (DPHI) issued a Gateway Determination on 24 March 2026 (Enclosure 1). The Gateway conditions have now all been actioned, including State Agency referrals and public exhibition.

It is recommended that Council endorse the Post Exhibition Planning Proposal Report (Enclosure 2) and submit it to the Office of the NSW Parliamentary Counsel under section 3.36(1) of the Environmental Planning and Assessment Act 1979 (the Act) to draft the final legal instrument that will give effect to this Planning Proposal.

Financial implication

The *Planning Proposal Stage 1 – Major fee* was paid by the proponent upon lodgment of the PP and the *Planning Proposal - Stage 2 – Major fee* was paid prior to the application being submitted for Gateway.

There are no short or medium financial impacts of the Planning Proposal. The long-term financial impact of the development will be considered as part of Council's long-term financial planning.

Risk implication

If the PP is not supported the development cannot proceed, which will impact on the delivery of new homes that are needed and identified in the Kiama Local Housing Strategy. It is also noted that if the PP is not progressed by the Council, the proponent

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15.5 Post exhibition endorsement: Planning Proposal PP-2025-1821 - 2 Caliope Street Kiama (cont)

may seek a Rezoning Review by the Southern Regional Planning Panel (SRPP) and the SRPP may then become the PP Decision Making Authority.

Policy

The Planning Proposal has been assessed in accordance with:

- *Environmental Planning and Assessment Act 1979.*
- Local Environmental Plan Making Guideline, DPHI, August 2023.
- Illawarra Shoalhaven Regional Plan 2021 (DPHI, 2021).
- Kiama Council's Local Strategic Planning Statement, 2020 (updated 2025).
- Kiama Council's Local Housing Strategy, 2025.
- Kiama Council's Planning Proposal Policy, 2023.
- Kiama Council's Community Participation Plan, 2019.

Consultation (internal)

Internal consultation occurred within and between Council's Strategic Planning team, Council's Heritage Advisor and Environment team.

Communication/Community engagement

In accordance with condition 2 of the Gateway Determination (Enclosure 1), section 3.34(2)(c) and clause 4 of Schedule 1 of the Act, and the Kiama Community Participation Plan 2023, the PP was placed on public exhibition for 31 working days between 1 May and 31 May 2026.

During the public exhibition period 45 submissions were received. A summary of these submissions received, responses and outcomes are provided in the Public Exhibition Engagement Report (Enclosure 3).

Consultation (External)

In accordance with conditions 1 and 3 of the Gateway Determination, the PP was referred to seven State Agencies. The comments received from the State Agencies have been addressed by the applicant and all comments have now been adequately satisfied (see Enclosure 3).

Attachments

Nil

Enclosures

- 1 PP-2025-1821 - Gateway Determination [⇒](#)
- 2 PP-2025-1821 - Planning Proposal Report (Revision A 12 December 2025) [⇒](#)
- 3 PP-2025-1821 - Public Exhibition Engagement Report [⇒](#)
- 4 PP-2025-1821 - Planning Proposal Assessment Report [⇒](#)
- 5 PP-2025-1821 - LEP Land Zoning Map - LZN Sheet 12 [⇒](#)

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15.5 Post exhibition endorsement: Planning Proposal PP-2025-1821 - 2 Caliope Street Kiama (cont)

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- 6 PP-2025-1821 - LEP Lot Size Map - LSZ Sheet 12 [↗](#)
 - 7 PP-2025-1821 - LEP Height of Buildings Map - HOB Sheet 12 [↗](#)
 - 8 PP-2025-1821 - LEP Floor Space Ratio Map - FSR Sheet 12 [↗](#)
 - 9 PP-2025-1821 - LEP Terrestrial Biodiversity Map - BIO Sheet 12 [↗](#)

RECOMMENDATION

That Council

1. Note the Public Exhibition Engagement Report.
2. Endorse the Planning Proposal Report for Planning Proposal PP-2025-1821, 2 Caliope Street Kiama.
3. Endorse the amendments to Kiama Local Environmental Plan 2011 under section 3.36(1) of the *Environmental Planning and Assessment Act 1979*.
4. Delegate to the Chief Executive Officer the authority to send the Planning Proposal to the Office of the NSW Parliamentary Counsel in accordance with section 3.36(1) of the *Environmental Planning & Assessment Act 1979* to draft the final legal instrument that will give effect to this Planning Proposal.
5. Delegate to the Chief Executive Officer the authority to make minor mapping and Local Environmental Plan instrument changes if required by the Office of the NSW Parliamentary Counsel.
6. Delegate to the Chief Executive Officer the authority to finalise the Planning Proposal by referring the final instrument to the NSW Department of Planning, Housing and Infrastructure for review and Gazettal in the Government Gazette and NSW Legislation website.

Background

A Local Environmental Plan (LEP) establishes the statutory planning controls for land including the zone, permissible and prohibited development, minimum lot size, height limits and floor space ratio.

Planning Proposal (PP)

A Planning Proposal (PP) is the process to amend the zoning or development standards in a Council's Local Environmental Plan (LEP).

The Planning Proposal process is set out in the *Local Environmental Plan Making Guidelines* (NSW Department of Planning and Environment, August 2023). A summary of the steps in the process is:

Stage 1: Pre-lodgement Scoping proposal – assessed internally by Council staff.

Stage 2: Planning Proposal – assessed by Council staff, then endorsed by Council.

Stage 3: Gateway Determination – assessed and issued by DPHI.

Stage 4: Post Gateway – Council (or PPA) actions Gateway requirements.

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15.5 Post exhibition endorsement: Planning Proposal PP-2025-1821 - 2 Caliope Street Kiama (cont)

Stage 5: Public Exhibition and Assessment – actioned by the Council (or PPA).

Stage 6: Finalisation of the change to the LEP- Council endorsed, finalised by DHPI.

If a PP is not supported by Council the proponent may lodge a Rezoning Review, and the PP will then be considered by the Regional Planning Panel. A proponent can also seek a review of the Gateway conditions or determination.

Where Council does not support the PP, the Planning Proposal Authority (PPA) may become the Southern Regional Planning Panel (not the Council).

The site

Figure 1. Subject Site (aerial image)

The site is known as 2 Caliope Street, (Lot 672 DP 1308222), Kiama (Figure 1). The site is an elongated, irregular-shaped allotment of land situated on the south-eastern corner of Old Saddleback Road and Caliope Street at Kiama. The site is predominately zoned RU2 Rural Landscape and C2 Environmental Conservation. It is noted that the site is currently vacant, with the only structure on the site being the remains of an old agricultural outbuilding located beneath the canopy of the Moreton Bay Fig adjacent to Caliope Street, and a heritage-listed drystone wall along the southern boundary.

The western part of the site has been strategically identified as a suitable site for residential development in Council's Local Housing Strategy (see Figure 2). The remainder of the site contains environmentally sensitive land that is proposed to be preserved for conservation and is not suitable for housing.



Figure 2. Portion of Site identified in Local Housing Strategy

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15.5 Post exhibition endorsement: Planning Proposal PP-2025-1821 - 2 Caliope Street Kiama (cont)

Stage 1: Pre-lodgement scoping proposal

A Scoping Proposal was received in January 2025, with referrals made to various State Government Agencies including RFS, Heritage NSW, NSW SES, Department of Climate Change, Environment, Energy & Water (DECCW) and Transport for NSW (TfNSW). A summary of these referral comments was provided along with internal staff comments to the applicant in April 2025. Staff then met with the applicant in June 2025 and July 2025 to further discuss the comments, particularly around the residue land and ensuring that the environmental values were protected.

Stage 2: Planning Proposal – assessed by Council staff, then endorsed by Council

Council's planning team have been working collaboratively with the proponent to ensure that the various planning issues are worked through efficiently to achieve the best outcome for the site and future residents.

The Planning Proposal was lodged on 5 November and seeks to:

- Rezone the western part of the site to Zone R2 Low Density Residential with a minimum lot size of 450sqm, floor space ratio of 0.5:1 and 8.5m height limit.
- Rezone the eastern part of the site from RU2 Rural Landscape and C2 Environmental Conservation to:
 - An Increased C2 Environmental Conservation zoned area.
 - C3 Environmental Management.

The PP seeks to update the following Kiama LEP 2011 Map Sheets:

To reflect the above changes the following LEP Maps will be amended:

- i. Land Zoning Map – LZN Sheets 12.
- ii. Minimum Lot Size Map – LSZ Sheet 12.
- iii. Height of Buildings – HOB Sheet 12.
- iv. Floor Space Ratio – FSR Sheet 12.
- v. Terrestrial Biodiversity – BIO Sheet 12.

The PP has been reviewed and assessed against all relative criteria including:

- *Environmental Planning and Assessment Act 1979.*
- NSW DPHI's Local Environmental Plan Making Guideline 2023 (this continues to apply to PPs lodged before 1 July 2026).
- Relevant Ministerial Directions issued in 2024 under s9.1 of the Act (these continues to apply to PPs lodged before 1 July 2026).
- Kiama Council's Planning Proposal Policy.

The Local Environmental Plan Making Guidelines outline that a Planning Proposal is required to have both Strategic Merit and Site-Specific Merit for a Gateway Determination to be issued and be consistent with Ministerial Directions and SEPPs.

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15.5 Post exhibition endorsement: Planning Proposal PP-2025-1821 - 2 Caliope Street Kiama (cont)

Assessment of the Strategic Merit and Site-Specific Merit tests, consistency with Ministerial Directions and applicable SEPS is provided at Enclosure 4. In summary, the Strategic Merit test and Site-Specific Merit tests, consistency with Ministerial Directions and applicable SEPS have been fully satisfied.

Stage 3: Gateway Determination – issued by DHPI

Accordingly, at the 17 February 2026 Ordinary Council Meeting, Council resolved to submit the Planning Proposal PP-2025-1821 to the Department of Planning, Housing and Infrastructure for Gateway Determination, and sought to be authorised as the Local Plan Making Authority.

The DPHI issued a Gateway Determination on 24 March 2026 (Enclosure 1) which determined that the PP should proceed subject to the following conditions:

1. *Prior to public exhibition, NSW Rural Fire Service is to be consulted in accordance with the Ministerial Direction 4.3 Planning for Bushfire Protection and take into account any comments made.*
2. *Public exhibition is required under section 3.34(2)(c) and clause 4 of Schedule 1 to the Act as follows:*
 - (a) *the planning proposal is categorised as standard as described in the Local Environmental Plan Making Guideline (Department of Planning and Environment, August 2023) and must be made publicly available for a minimum of 20 working days; and*
 - (b) *the planning proposal authority must comply with the notice requirements for public exhibition of planning proposals and the specifications for material that must be made publicly available along with planning proposals as identified in Local Environmental Plan Making Guideline (Department of Planning and Environment, August 2023).*
3. *Consultation is required with the following public authorities and government agencies under section 3.34(2)(d) of the Act (or any other part of the Act) and/or to comply with the requirements of applicable directions of the Minister under section 9 of the Act:*
 - *Department of Climate Change, Energy, the Environment and Water;*
 - *Environment Protection Authority;*
 - *Heritage NSW;*
 - *NSW State Emergency Service;*
 - *Sydney Water; and*
 - *Endeavour Energy.*

Each public authority is to be provided with a copy of the planning proposal and any relevant supporting material via the NSW Planning Portal and given at least 30 working days to comment on the proposal.

4. *A public hearing is not required to be held into the matter by any person or body under section 3.34(2)(e) of the Act. This does not discharge Council from any*

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15.5 Post exhibition endorsement: Planning Proposal PP-2025-1821 - 2 Caliope Street Kiama (cont)

obligation it may otherwise have to conduct a public hearing (for example, in response to a submission or if reclassifying land).

The Gateway was issued with a completion date of 26 March 2027.

Stage 4: Post Gateway – Council (or PPA) actions Gateway requirements

The Gateway determination included conditions requiring additional information, public exhibition and consultation with key authorities and Government agencies which have been actioned by Council staff. The Rural Fire Service (RFS) advised that they are satisfied that the concept plans and recommendations of the bush fire report provided by Harris Environmental Consulting, REF: 7012BF, Version 3.1 dated: 27/10/2025 satisfy Ministerial Direction 4.4 Planning for Bushfire Protection. In regard to the bush fire report the NSW RFS concludes that a similar performance based solution must be carried out by a suitably qualified bush fire consultant for compliance with Planning for Bush Fire Protection 2019 for any future development proposals. All conditions of Gateway have now been met.

Stage 5: Public exhibition and assessment

The Planning Proposal was placed on public exhibition in accordance with Council's Community Participation Plan (CPP) and the conditions of Gateway for a minimum of 20 working days. Adjoining landowners were also notified. Referrals were provided to the relevant state agencies.

All community and state agency submissions have been considered and the matters raised have been worked through both internally, externally and with the applicant. All concerns raised in submissions have been adequately addressed.

The submissions received, responses and outcome are provided at Enclosure 2.

Some of the concerns raised by the community included:

- Urban sprawl and inappropriate density, building setbacks and building height.
- Traffic impacts and safety of residents.
- Need to protect rural lands and have a buffer between rural and urban land uses.
- Need to protect environmental lands and avoid negative environmental impacts.
- Need to protect heritage, significant trees and landscape values (view loss).

Due to the scale of proposed urban development, the site is not identified as an Urban Release Area (URA) and therefore does not require a site specific DCP to be prepared.

The site includes listed heritage items (dry stonewalls) and cultural heritage values (rural landscape and native bushland) which were discussed within the Strategic Planning Team.

The dry-stone walls on the site are protected as items of environmental heritage under the Kiama LEP 2011. The proposed rezoning does not remove the heritage listing of these items. The proposed development of the site will require mapping, evaluation and repair work to the dry-stonewalls by an appropriately qualified heritage consultant and craftsman. The requirements and details of the proposed Vegetation Management Plan (VMP) are outlined in detail later in this report.

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15.5 Post exhibition endorsement: Planning Proposal PP-2025-1821 - 2 Caliope Street Kiama (cont)

The site also contains significant trees which are identified under Chapter 2 of Kiama Development Control Plan (DCP) and specific design criteria exist to protect them. The proposed rezoning shows the trees located within the C2 Environmental Conservation zone which will help ensure the protection of these significant trees.

The proponent was requested to provide an additional heritage assessment in relation to the partially dilapidated rural shed located under the large cluster of fig trees located on the property. The findings of this study/assessment are outlined later in the Public Exhibition Engagement Report and are satisfactory.

Both environmental and heritage matters will be appropriately addressed as part of the statutory assessment during the subdivision and development approval processes. The dry stonewalls will be preserved through appropriate subdivision conditions, and the preparation of a VMP for the conservation areas will adequately address the site-specific environmental issues.

Stage 6: Finalisation of the change to the LEP - Council endorsed, finalised by DHPI

As the planning proposal authority, Council officers are satisfied that the PP has been carried out in accordance with the conditions prescribed by the Gateway Determination.

It is recommended that the Proposal be progressed to finalisation and that Council use its plan making delegations to finalise the relevant amendments to Kiama LEP 2011.

To amend the Kiama LEP 2011, Council must request the NSW Parliamentary Counsel's Office (PCO) to draft the legal instrument that will give effect to this PP, in accordance with section 3.36(1) of the Environmental Planning & Assessment Act, 1979. Following receipt of the final legal instrument and mapping, Council will refer the final instrument to the NSW Department of Planning, Housing and Infrastructure for review and Gazettal in the Government Gazette and NSW Legislation website.

Conclusion

This PP seeks to amend the Kiama LEP 2011 to rezone 2 Caliope Street, Kiama (Lot 672 DP 1308222) from RU2 Rural Landscape and C2 Environment Conservation to R2 Low Density Residential to facilitate approximately 13 residential allotments on the western portion of the site, and the remainder of the site to C3 Environmental Management and an increased area of C2 Environmental Conservation to ensure the protection and management of the environmental values of the site.

It is recommended that Council resolve to support finalisation of the Planning Proposal PP-2025-1821 and submit it to the NSW Parliamentary Counsel's Office (PCO) to draft the legal instrument that will give effect to this PP, in accordance with section 3.36(1) of the *Environmental Planning & Assessment Act 1979*. Following receipt of the final legal instrument and mapping, Council will refer the final instrument to the Department for review and Gazettal in the Government Gazette and NSW Legislation website. The Kiama LEP 2011 will then be amended and the relevant maps updated.

15.6 Review of grants budget allocation

CSP Objective: Outcome 1.1: We value a strong sense of belonging, where social and cultural life thrives, and residents, families, friends and visitors feel welcome and included..

CSP Strategy: 1.1.1 Support and deliver the initiatives that encourage community connection and social interaction for all residents

Delivery Program: 1.1.1.3 Deliver programs and activities that support lifelong learning, build social inclusion and promote a sense of belonging

Item 15.6

Summary

Kiama Municipal Council administers a generous grant program under its Grants and Donations Policy. It is acknowledged grants and donations support many worthy activities and community events. For the past three years Council staff, the former Finance Advisory Committee, and current Finance and Major Project Advisory Committee have advised Council to substantially reduce or temporarily suspend grants programs in order to assist with correcting the financial circumstances of Council and meeting the State imposed Performance Improvement Order (PIO) in the next 10 months. When financial circumstances improve and the PIO is lifted, Council could then chose to reinvest in grants and donations.

Some organisations such as Kiama District Sporting Association have already proactively elected to forego funding this financial year.

A benchmarking exercise has been undertaken to demonstrate to Councillors and the community that a temporary suspension, or a more modest budget allocation is appropriate given Council's continued need to become financially sustainable.

This report recommends reducing the total budget allocation to \$85,000 for Council's Competitive Grant Program. Or Council could chose to wholly suspend all funding streams for one financial year and reinvest in future years.

Financial implication

The recommendation of this report seeks to reduce Council's deficit by \$100,000. The PIO dictates that reporting to Office of Local Government must show monthly savings and this reduction would assist.

Risk implication

There is a risk that a reduction in the budget allocation to Council's Competitive Grant Program could result in fewer destination and major events and less support for not-for-profit community groups.

Not implementing the recommendations of this report could result in more severe budget cuts in order to meet the requirements of the varied Performance Improvement Order.

Policy

Local Government Act 1993.

Grants and Donations Policy.

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15.6 Review of grants budget allocation (cont)

Grants Program Guidelines.

Consultation (internal)

Executive Leadership Team.

Community Outcomes.

Tourism & Economic Development.

Communication/Community engagement

The endorsed Grants and Donations Policy was placed on public exhibition in 2024.

Attachments

Nil

Enclosures

Nil

Item 15.6

RECOMMENDATION

That Council, as part of the Quarter one budget adjustments, reduce the total allocation to Council's Competitive Grant Program to \$86,000, resulting in the following allocation:

1. Destination Event Funding: \$46,000.
2. Community Grants: \$39,000.

Background

Council is committed to supporting its community and facilitating social cohesion via several means including, but not limited to, various grant programs. Council facilitates these grant programs via its endorsed Grants and Donations Policy and Grants Program Guidelines.

Council prepared a Grants and Donations Policy in 2024 in order to ensure it administers public funds appropriately. The Policy was also prepared in order to address several recommendations of an internal audit on community grants and sponsorships.

In September 2025 the Grants and Donations Policy was revised to ensure it captured the full breadth of all outgoing grants, including sponsorship funding provided to various groups via ad hoc Council resolutions. In FY2025-26 Council administered a total allocation of grant and sponsorships of **\$301,750** as follows:

- Competitive Grant Program: **\$185,000**
 - Small grant donations - maximum \$1,000 per application.
 - Sponsorship (former Signature Community Events) – up to \$10,000 per event.
 - Destination Events – up to \$20,000 per event.

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15.6 Review of grants budget allocation (cont)

- Community Grants – up to \$7,000 per application.
- Funded by Council Resolution (2025-26): **\$116,750**

It is noted that as part of the adopted 2026-27 Budget, Council has resolved to temporarily discontinue its sponsorship of:

- Business Illawarra Awards: \$10,500.
- Kiama District Sport Association: \$60,000.
- South Coast Arts: \$15,000.

The remaining \$31,250 of resolved sponsorships (Kiama Show Society, Kiama Business Network and Illawarra Academy of Sports) remains in the 2026-27 budget.

It is well known that Council has received an additional variation to its PIO. Amongst other things this PIO requires Council to:

- By FY 2027-28 break the habit of adopting deficit budgets, and
- To implement all feasible Level 1 and Level 2 budget saving initiatives, as identified in the extraordinary April 2026 meeting agenda, by 30 June 2027.

The Extraordinary April 2026 meeting agenda recommended removing all grant, sponsorships and donations from the 2026-27 budget to achieve a balanced budget. Given the reprieve given by the varied PIO, these grant, sponsorships and donations have subsequently been included in the adopted 2026-27 budget.

Despite this inclusion, staff have sought to identify if the current budget allocation for its grant programs is appropriate and sustainable. Staff remain concerned that in a critical cash environment, the more responsible action to take ought to be a temporary suspension of all grants and donations with a future reinvestment when financial circumstances have improved. Understanding that Councillor may still see a need to provide some community funding a benchmarking exercise has been undertaken against other NSW councils utilizing publicly available data and is provided below. And a recommendation of compromise has been provided.

LGA	Grant budget	Population	Budget/Person
Kiama	\$185,000	23,000	\$8.04/person
Liverpool	\$850,000	261,000	\$3.25/person
Port Stephens	\$450,000	75,000	\$6.00/person
Port Macquarie	\$220,000	85,000	\$2.59/person
Shellharbour	\$52,546	80,000	\$0.66/person
Shoalhaven	\$199,920	110,000	\$1.82/person

From the above, it is clear that Kiama Council administers a generous grant program compared to those councils benchmarked. The average per person budget allocation

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15.6 Review of grants budget allocation (cont)

is \$3.73. If KMC were to apply this per person average budget allocation the total Competitive Grant Program would be a more modest (rounded down) \$85,000. This would result in a total budget saving of \$100,000 and the following Competitive Grant Program:

- Destination Events: **\$46,000.**
- Community Events: **\$39,000.**
 - Small grant donations.
 - Sponsorship (former Signature Community Events).
 - Community Grants.

If Council were of a mind to reduce the total annual budget as above staff will continue to administer the Competitive Grant Program in accordance with the adopted Grants and Donations Policy.