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Reference:
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Ms Kiersten Fishburn
Secretary
Department of Planning, Housing and Infrastructure
Locked Bag 5022
PARRAMATTA NSW 2124

Via: Submission on NSW Planning Portal

Dear Ms Fishburn

Submission – The Illawarra Shoalhaven Plan

Thank you for the opportunity to provide a submission on the draft The Illawarra Shoalhaven Plan that is currently on public exhibition until 28 September 2026.

This submission has been prepared by Kiama Council's Planning and Development team and was endorsed by the Council at the Ordinary Meeting on 15 September 2026.

Kiama Council welcomes The Illawarra Shoalhaven Plan as the strategic land use plan that will guide how the NSW Government manages growth in the region over the next 20 years.

The enclosed submission has been prepared to aid the Department in the finalisation of The Illawarra Shoalhaven Plan.

If you have any questions regarding our submission, please contact Cheryl Lappin, Manager Planning and Development, or myself on 4232 0444, or email council@kiama.nsw.gov.au.

Yours faithfully

Ed Paterson
Director Strategies & Communities

Encl.

Enclosed**Kiama Municipal Council submission to the Draft Illawarra Shoalhaven Plan**

This submission has been prepared by Kiama Council's Planning and Development team and was endorsed by the Council at the Ordinary Meeting on 15 September 2026.

This submission has been prepared to aid the Department in the finalisation of The Illawarra Shoalhaven Plan with feedback focused on:

- Introduction
- Priorities
- Responses
- Implementation
- Appendix A
- Appendix B
- Appendix C

1. Introduction**Region overview**

The reference to Wollongong and Shellharbour LGAs as “metropolitan urban areas” and Kiama, Shoalhaven and Wingecarribee as “Urban fringe” is inconsistent with the Office of Local Government (OLG) classification of LGAs which notes all five LGAs within the Illawarra Shoalhaven region as “Regional Town/City”.

It is therefore suggested that alternate wording be used to avoid confusion with the existing classifications of LGAs.

Industry changes

The acknowledgement of the Kiama LGA as a contributor to agriculture and tourism by adding agribusiness and boutique food, equine and tourism to the regional industry mix, supplying value added rural output and benefits for the visitor economy is supported.

2. Priorities

- **Aboriginal Outcomes**

The Priorities for Aboriginal Outcomes are supported.

- **Housed**

Bombo

The draft Plan states: *Kiama Council's local housing strategy identifies capacity for housing, jobs and recreation uses in Bombo and West Kiama.*

The reference to “Bombo and West Kiama” should be updated to “Kiama, South Kiama, Gerringong and Jamberoo” as the Local Housing Strategy identifies these four urban expansion areas, noting that the Kiama expansion area include the four precincts of Bombo Quarry, Riversdale Road, Dido Street and Kiama West (Springside Hill).

Respond to the housing needs of temporary and seasonal workers

The initial sentence in the breakout box on page 25 of the draft Plan acknowledges the high rates of holiday homes in the Shoalhaven LGA and notes that the Kiama LGA faces similar strains. The rest of the text in this breakout box focuses on Shoalhaven LGA

There are currently 1,372 registered STRA properties in the Kiama LGA, which is approximately 12% of the total 11,427 dwellings. This will continue to be a challenge for the Kiama LGA and additional actions should be included.

It is noted that the final sentence under this subheading suggests that local strategies are best placed to address affordability issues for temporary and seasonal workers. In 2024, the NSW Government undertook a review of the Short-Term Rental Accommodation (STRA) framework in NSW. The public website for this review suggests that the Government will aim to introduce new legislation in "September" sittings of Parliament. KMC is not aware of any new STRA legislation being introduced since 2021.

The current State regulatory framework enables STRA to occur without the need for development consent and council's only ability to address affordability caused by STRA is to seek amendments to its Local Environmental Plan to reduce the number of days a non-hosted STRA may be used in a calendar year. In highly desirable coastal locations, such as Kiama and the Shoalhaven, this will not address affordability. It is therefore disingenuous for the draft Plan to state that local strategies are best placed to address these issues. The NSW Government are encouraged to complete/finalise their STRA Framework review.

- **Prosperous**

The suburb of Kiama is recognised as providing an 'activity centre', and Jamberoo and Kiama attract visitors to scenic landscapes and agritourism. The final sentence under the *Agriculture and aquaculture* subheading suggests that the draft Plan aims to protect the viability of rural industries to keep down costs. As outlined further in this submission, the draft Plan does not contain any responses to address agricultural viability.

It is suggested that the Plan could be strengthened by placing a greater focus on the agricultural and environmental values of the LGA, and how this can be protected and enhanced.

- **Connected**

The Kiama (and Shoalhaven) LGA is noted as a 'urban fringe area' that have only limited public transport options and based on longer travel distances tend to rely on private vehicles.

The proposed improvements to the public transport system are welcomed, particularly increasing the passenger rail service between Kiama and Sydney from 1 hour to 30 minute intervals.

It is noted that the connection initiatives contained in the draft Illawarra Shoalhaven Plan are generally consistent with the published Illawarra Shoalhaven Strategic Regional Integrated Transport Plan. These initiatives have been contained in the *More Trains more Services Program*, now known as the *Rail Services Improvement Program* for several years. It is pleasing to see some of these initiatives come to fruition.

Rather than more frequent trains between Kiama and Sydney, the Kiama Urban Growth Area (UGA) would benefit from increased frequency of public transport between the UGA and the Shellharbour Major Centre.

- **Resilient**

The Kiama LGA includes a section of coastline and many waterways, so the response to ensuring resilience to natural hazards is welcomed.

It is noted that the Kiama LGA is the only Illawarra LGA not included in Illawarra Renewable Energy Zone. Given the sentiment contained in the final paragraph on page 41 of the draft Plan, Council wishes to ensure that Kiama LGA is included and benefits from any opportunities that may arise through this program.

- **Liveable**

The Kiama LGA continues to enhance its liveability. Local initiatives, such as Kiama's Night-Time Economy Strategy and Special Entertainment Precinct trial, are strengthening the role of centres as places for arts, culture and entertainment.

- **Coordinated**

The draft Plan notes that not all new housing can be provided in existing areas and greenfield development will also accommodate some of the region's housing needs. This is consistent with Council's Local Housing Strategy.

It is suggested that the reference to the "West Kiama urban release area" be amended to the "Kiama Urban Growth Area" as this area includes four precincts.

Kiama Council welcomes the opportunity to work with State Agencies and ensure infrastructure is planned, funded and delivered to accommodate the planned growth.

3. Responses

1. Increase housing supply in the urban growth area

The draft Plan states that Councils should plan for 30 years of feasible housing supply to meet their housing needs across the LGA. Council's Local Housing Strategy was adopted in 2025 and although it is a 20 year plan, the REMPLAN projections anticipate this growth occurring over a longer period of time, therefore the identified greenfield land in the Kiama LGA would provide a 30 year supply, noting that the term 'feasible' can be defined differently and can change.

The Department's commitment to work with Kiama Council on the development of a structure plan for the Kiama Urban Growth Area is welcomed as this will provide certainty to Council, the development industry as well as infrastructure providers of the timing and infrastructure needs of the broader precinct rather than a site by site process. The Plan could be strengthened by clarifying that this includes the funding and timing around delivery.

Comments on Actions

1.1 – This action requires the term 'feasibility' to be clarified and defined. Current feasibility in the Kiama LGA is significantly affected by capacity associated with Sydney Water infrastructure.

1.2 – It is assumed that this action would occur once the Prioritisation Framework is established (i.e. action 1.1). It is not understood how this 'prioritisation' will occur.

It is encouraged that greater clarity on how this 'prioritisation' will occur and that it will occur in collaboration with local councils and service providers.

1.3 – It is assumed that this action would occur once locations are prioritised (i.e. action 1.2). Consistent language is encouraged and the phrase "priority areas" should be updated to "priority locations". Councils undertake reviews of their LEPs in accordance with their adopted local strategies, Operational Plans and as required by section 3.8(3) of the Act. Upon initial review, the Kiama LEP gives effect to the draft Plan. Therefore, the inclusion of the word "accelerate" in this action would not result in any accelerations.

1.4 – Following preparation of the Structure Plan for the Kiama Urban Expansion Area, opportunities for State led rezoning should also be considered.

1.5 – This action is supported.

2. Prioritise housing diversity and choice to meet changing household needs

Kiama Council has adopted the Kiama Town Centre Master Plan which increased the planning controls for the town centre to enable a greater density and diversity. Council has concerns around the role of the Housing Development Authority (HDA) and the impacts of these controls being overridden by HDA.

It is noted that Appendix B seeks to establish an Urban Growth Area (UGA) Policy to provide direction for growth areas, however the Plan could be improved by outlining how this Policy will be implemented within the UGA, confirm that land outside the UGA will not be considered for greenfield PPs, and provide a policy for infill PPs.

Comments on Actions

2.1 – Section 3.9 of the Act outlines that councils need to ensure that their Local Strategic Planning Statements (LSPSs) are consistent with the relevant strategic plan for the area (i.e. this draft Plan). While the action to define the minimum density targets for priority areas is generally supported, the current draft Plan will not require that these future targets be included in any reviews of LSPS's or associated local strategies.

A clear and implementable mechanism to achieve this, noting that growth needs to be planned to ensure sufficient infrastructure capacity, in particular water and wastewater servicing.

The current draft Plan is not utilising the implementation framework afforded it by the Act.

2.2 – Expanding the LMR policy in the right locations is generally supported. It is however noted that action 2.2 and 1.2 seek to achieve the same outcome and could be read as one action.

2.3 – Additional information is required on how this will be funded. It is also noted that the beginning of this sentence/action only refers to social housing but that affordable housing has been included in the final sections. Clarity is required if this action is seeking to identify a pipeline of social or affordable housing or both.

2.4 – The action for the Department and Councils to prepare a regional affordable housing contributions scheme and consistent LEP provisions is supported and welcomed by Kiama Council.

2.5 – The action to identify surplus government owned land that is suitable for affordable housing or enabling social infrastructure requires further consideration

as this could have a significant impact on Council's financial sustainability. The need for affordable housing and the funding source needs to be further considered. The Local Government Act requires Councils to ensure ratepayer funds are spent responsibly. Even though this action is simply an identification task it could set false expectations that Council is going to either provide affordable housing directly or sell/lease its land at a subsidised rate to an affordable housing provider contrary to the Local Government Act.

3. Align sequenced infrastructure delivery with growth priorities

The response to align sequenced infrastructure delivery with growth priorities is supported. For the Kiama LGA, one of the main constraints is Sydney Water servicing and capacity. The Kiama LGA is not shown on the Sydney Water Growth Servicing Plan and has no future upgrade works identified to support the planned growth. The Plan could be improved by further strengthening the role and current governance framework of the Urban Development Program (UDP) and infrastructure servicing coordination to align with planned growth.

Comments on Actions

3.1 – This action should highlight the role of the UDP and outline once a sequencing plan has been prepared how it is to be implemented. This action should not be limited to greenfield areas and should encompass all identified priority areas.

3.2 – N/A for Kiama Council

3.3 - This action should call out the role of the UDP. If action 3.1 is updated to refer to all priority areas then this action becomes superfluous.

3.4 – This action is supported.

3.5 - This action is supported as it is essentially business as usual but should also refer to infill.

4. Support a vibrant centres network, anchored by Wollongong as the region's principal CBD

Paragraph 4 on page 58 indicates that job targets are being assigned to each LGA via Appendix - Local Government Narrative (note: no inclusion of alpha code A in this paragraph). This paragraph suggests that 10 and 20 year targets have been established, however Table 5 and Table 6 in Appendix A only contains 20yr job targets. It is suggested that this is clarified and updated.

The Plan indicates that jobs growth will be monitored, however further information is required on how this will be monitored, and how Councils can implement or encourage these targets, especially given the prescribed permissibility's in the Standard Instrument LEP.

Comments on Actions

4.1 – This action is supported.

4.2 – While it reads that this action does not affect the Kiama LGA (as there are no CBD or Major Centres in the LGA), it appears that this action is in conflict with action 4.1. Action 4.1 seeks to establish minimum floor space requirements and define/prescribe land use mixes. Action 4.2 seeks to enable flexible development outcomes.

4.3 – Clarity is needed to confirm if the second component of this action applies to all LGAs or just within the Southern Highlands Cluster.

4.4 – This action is supported. Kiama Council has identified the need to update the planning controls to protect and enhance the commercial centre of Terralong Street (between Collins and Shoalhaven Streets). The future review of the Gerringong Town Centre Plan will also ensure that the commercial viability is enhanced for the future. As outlined in response to action 2.1, this action could be strengthened by utilising the framework afforded it by the Act. This action should be requiring councils to update/implement local strategies (i.e. Employment Lands Strategies etc) to deliver job targets. This action would also be strengthened by referring to the job targets included in Appendix A.

5. Intensify and grow the region's industrial lands potential and capacity for future industries

The response to protect existing and plan for future industrial lands is supported.

Comments on Actions

5.1 – N/A for Kiama Council which only has locally significant industrial land.

5.2 – N/A for Kiama Council (Bombo Quarry is already identified as a growth area)

5.3 – N/A for Kiama Council

5.4 – While this action is supported, the draft Plan makes no reference to needing to update local strategies.

5.5 – While not for the Kiama LGA, which only has locally significant industrial land, this action is outside the remit of the Regional Plan which can require updates to local strategies and LEPs not development controls plans (i.e. development controls).

6. Deliver Australia's first Urban Renewable Energy Zone

It is noted that the Kiama LGA is the only LGA not included in this program, and does not want to miss out on any opportunities that may arise through this program.

Comments on Actions

6.3 – Clarity is required to confirm that this action only applies to Wollongong City and Shellharbour City Councils.

7. Unlock the productivity, economic and lifestyle benefits between the region and south west Sydney

The Kiama LGA is not included in Figure 28 Strengthening connection between regions, and therefore no comment is provided.

Comments on Actions

7.1 – Clarity is required to confirm that this action only applies to Wollongong City, Shellharbour City and Wingecarribee Shire Councils.

7.4 – Clarity is required to confirm that this action only applies to Wollongong City, Shellharbour City and Wingecarribee Shire Councils.

8. Define appropriate land use pathways to support Aboriginal outcomes

The Responses to Aboriginal Outcomes are supported.

Comments on Actions

8.1 – This action is supported. The Plan can be strengthened by providing additional information on how this action will be implemented/monitored.

8.2 – This action is supported.

8.3 – This action is supported.

8.4 – This action is supported.

8.5 - This action is supported.

9. Protect the region's natural places so both people and nature can thrive as the climate changes

This response and the actions are supported.

10. Connect and grow the network of regional public open space and events infrastructure

This Response is supported. The Plan could be strengthened by including the Technical Appendix for Open Space (as per The Sydney Plan).

Comments on Actions

10.1 – This action is welcomed.

10.2 – This action is supported.

10.3 – No comment.

10.4 – No comment

10.5 – This action is welcomed.

10.6 – Clarification is required on the intent of this action. Planning controls (i.e. DCPs) do not provide permissibility. This is the role of the LEP. LEPs need to be consistent with the Regional Plan (i.e. this draft), the applicable local strategy and the relevant Ministerial Directions. This action appears to be in conflict with Ministerial Directions P2.1 and P3.1 as it would reduce housing permissibility or the potential floor area for employment uses. This action is also, therefore, inconsistent with actions 2.1 , 2.2, 4.1 and 4.4 of this draft.

4. ImplementationUrban Development Program (UDP)

The role of the UDP could be strengthened. This includes more regular meetings, and by holding meetings with the Department, Councils and State Government Agencies so that growth and infrastructure can be discussed openly, without developers present in the room.

The UDP is yet to establish how dwelling completions will be consistently monitored and reported on for the region. Historically, the Illawarra Shoalhaven UDP has relied upon Sydney Water and Shoalhaven Water connection data, via s73 applications. As

s73 applications are not required for several dwelling types this methodology has been abandoned. Unfortunately, a new methodology is yet to be developed and the focus of this draft Plan (and the media more broadly) continues to be on dwelling approvals.

Infrastructure Opportunities Plan (IOP)

Regular updates of the IOP are supported.

Employment Lands Development Program (ELDP)

The ongoing tracking and monitoring of employment lands is supported.

Aligning an LSPS to this Plan

In paragraph two it is suggested that guidance from the Department on the LSPS framework will be provided "as part of or following the next round of Integrated Planning and Reporting in 2028".

Providing guidance following the next round of Integrated Planning and Reporting will not ensure that LSPSs are updated appropriately. Currently the EP&A Act requires Council's to review/update their LSPSs every seven years. Kiama Council reviewed/updated its LSPS in 2025 meaning that legislatively it does not need to be reviewed until 2032. Unless further or updated guidance is provided, Council's will not review/update their LSPSs.

Section 402 of the Local Government Act 1993 requires councils to review their Community Strategy Plan before the 30 June following a Local Government election. As the next scheduled Local Government election is 9 September 2028, the next round of Integrated Planning and Reporting will occur in 2029 rather than 2028.

Monitoring, evaluation and reporting

Paragraph three outlines that the 'strategic outcomes' are the matters to be assessed when determining consistency with the draft Plan, including strategic merit. This is a vitally important component of the Plan and should be included in the 'How to read the Plan' section.

Given this statement in the draft Plan, what weight do the Council listed actions have?

5. Appendix A – Local Government Narratives

Data

The draft Plan notes the population of the Kiama LGA in 2026 as 23,530. The Council's REMPLAN data notes it as 23,270 which is generally consistent.

The draft Plan notes the projected population of the Kiama LGA in 2046 as 25,806. The Council's REMPLAN data notes it as 26,902 which is slightly higher.

The draft Plan notes the number of dwellings of the Kiama LGA in 2026 as 11,392. The Council's REMPLAN data notes it as 11,427 which is generally consistent.

Jobs guidance

Clarification is sought on the methodology to calculate the jobs guidance, noting that there are errors in the calculations.

There are some mathematical errors in the 'Overall change' column (i.e. 2,250 minus 1,550 does not equal 650).

Housing guidance

The second paragraph on page 18 of this narrative correctly identifies that there are not enough homes forecast for delivery. Unfortunately, it does not provide any context for why this is the case. Through the implementation of the Local Housing Strategy and the LMR, sufficient lands have been rezoned to meet and surpass the Accord Targets (South Kiama, Shoalhaven Street Precinct and recent HDA decisions). Limited sewerage and water capacity means that this theoretical capacity cannot be delivered. This draft Plan needs to stress that provision of this essential infrastructure cannot be delivered by either Kiama Council or the development industry as the capacity issues are related to the Treatment Plant at Bombo and required new and upgraded water reservoirs. Upgrading this infrastructure needs to be a priority for Sydney Water and the NSW Government.

Kiama Council has and continues to do its part in preparing and implementing a Local Housing Strategy which identifies a significant amount of housing opportunities.

6. Appendix B – Urban growth area policy

In general principles, Council supports the concept of the UGA and the introduction of a Policy position to manage and plan for growth in the UGA.

While there are 18 references to the UGA within the draft Plan, no actions of the draft Plan refer to Appendix B. It is therefore not understood how this Policy will be implemented.

It is noted that, on page 4 of the Appendix, it is suggested that local strategies will now focus on transforming existing capacity into diverse, affordable and resilient supply. To ensure this occurs, a 'strategic outcome' of the Plan needs to refer to the UGA Policy.

Urban growth criteria

It is stated that the criteria established in the table will determine how, where and when new urban growth is directed.

While it is noted that it is intended that this criterion applies to the following processes, Council has identified the following concerns with each:

- State led or state assessed rezoning proposals
 - As this Policy is not referred to in any of the listed 'strategic outcomes' it will not be considered as part of the strategic merit test.
- Housing Delivery Authority applications
 - Council has no visibility on the assessment criteria used by the HDA.
- Rezoning reviews
 - As this Policy is not referred to in any of the listed 'strategic outcomes' it will not be considered as part of the strategic merit test.
- Preparation of local strategies
 - As this Policy is not referred to in any of the listed 'strategic outcomes' it will not be considered when preparing local strategies.
- Assessment of any long-term investigation areas
 - It is considered that this is the role of preparing a local strategy.

Council has identified the following concerns with the criteria included in the table:

Criteria	Comments/concerns
Policy	Consistency with Regional Plan is required. But the Plan itself establishes the UGA and, on page 44, confirms that land outside the UGA will not be considered for future urban purposes through planning proposals etc. Consistency with growth management framework is required. This framework is not referenced anywhere else in the draft Plan
Demonstrated need	It appears that new state-led greenfield development is provided an alternative pathway to private greenfield development. It is then unclear if the listed criteria apply only to state-led proposals.
Deliverability	No comment
Infrastructure	This appears to be at odds with 'strategic outcome' for Response 3.
Environmental and heritage	These criteria are already contained in various Ministerial Directions and the LEP Making Guidelines.
Avoiding risk	As above.
Land use conflicts	As above.
Aboriginal land	As above.

The UGA for the Kiama LGA is consistent with the Council's Local Housing Strategy and is supported. The position that only land identified in the UGA will be considered for rezoning is supported.

7. Appendix C - Glossary

Suggest that definitions be consistent with existing legislation and terminology, ie:

- **Affordable housing** – this definition should be updated to include 'that is managed or provided by a Community Housing Provider'.
- **Affordable Housing Contributions Scheme** – this definition is referencing an affordable housing contributions scheme as a mechanism for Council's to collect monetary contributions. This is not considered an efficient outcome, nor does it provide affordable housing. As it is not Council's role to deliver Affordable Housing it is suggested that this definition be updated to reflect the legislation and refer also to affordable housing being delivered by Developers.
- **Housing pipeline** – the stages of the pipeline are different to the UDP 5 (or 7) tiers. It is suggested that the Plan utilise the UDP tiers for consistency.