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Gunnedah Shire Council

Gunnedah Satellite Development Strategy Report

December 2011



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1. Introduction

1.1 Background

GHD Pty Ltd has been engaged by Gunnedah Shire Council ('Council') to prepare the Gunnedah Satellite Development Strategy in response to several requests from developers to establish commercial and industrial developments outside of the Gunnedah CBD.

The Satellite Development Strategy is a targeted investigation which will consider three separate landholdings.

The first is located at East Gunnedah where Council has received a planning proposal for the rezoning of land to a commercial zone for the purpose of developing a satellite commercial precinct. The planning proposal was considered by Council at its December 2010 meeting with a recommendation by Council staff to refuse the proposal on the basis it was inconsistent with the strategic direction outlined in the *Gunnedah 2008 Commercial and Industrial Land Use Strategy*. Council subsequently resolved to defer the matter pending the development of this Strategy.

Council has also received approaches from other developers wishing to develop land on two industrial landholdings, located north and west of Gunnedah within existing and proposed industrial precincts. Whilst these sites have been forecast in Council's strategic planning documents for industrial development, it is understood that Council has concerns over the ability of the existing water and sewer infrastructure to service these sites.

1.2 Scope of Strategy

The scope of this Strategy includes the following:

Document Review

- Review of *Gunnedah 2008 Commercial and Industrial Land Use Strategy* in light of recent retail and commercial activity; and
- Review of Planning Proposal for the East Gunnedah site and evaluate the arguments presented in the report for the rezoning of the land to a commercial zone.

Supply and Demand Analysis

- Undertake a supply and demand analysis to determine the validity of the *Gunnedah 2008 Commercial and Industrial Land Use Strategy*. The analysis would involve:
 - Review of the floor space analysis undertaken as part of the *Gunnedah 2008 Commercial and Industrial Land Use Strategy* and update this analysis by accounting for any additional floor space developed since 2008 as well as any loss of floor space to non commercial uses;
 - Checking of existing commercial vacancy rates (estimated) and likely changes to these rates for commercial buildings in the CBD;
 - Assessment of the extent of existing zoned commercial land that is not currently being used for commercial purposes;

- Review of available ABS, Department of Planning and Infrastructure (DoP&I) data from Council on population and households and the long-term changes in demographics to determine estimated existing (2011) and predicted future population growth (up to 2031);
- Review of data from Council's DA register to determine the number of applications received since 2008 for commercial development in Gunnedah and estimate how this has impacted on commercial land supply as well as what it represents in terms of genuine demand for commercial land; and
- Assessment of the supply of commercial land needs to distinguish between general business and other commercial uses such as vehicle sales or highway service centres.

Site Analysis

- ▶ Undertake a desktop site analysis of the three sites to determine the environmental, social or economic constraints that may exist at each site which may prevent them being developed for commercial or industrial purposes. This process would focus on the features of the landscape that pose limitations to development including topography, flooding, native vegetation/habitat, bushfire hazard, salinity, heritage, groundwater vulnerability, land contamination, surrounding development etc;
- ▶ Given the East Gunnedah site is currently partly zoned 2(a) Residential, consideration would be given to the loss of the land from Council's residential land supply; and
- ▶ Existing development opportunities at each site would also be explored.

Servicing Analysis

- ▶ In addition to the site analysis for the East Gunnedah site, GHD will consider the capability of each site to be serviced. In this regard, consideration would be given to reticulated water, sewer, electricity and telecommunication services, access and nearby intersections.

2. Document Review

2.1 Gunnedah Shire Commercial and Industrial Land Use Strategy

The *Gunnedah 2008 Commercial and Industrial Land Use Strategy* (CILUS), prepared by Collie Pty Limited, was adopted by Council in November 2008. The CILUS Strategy identified the need for additional retail and commercial space (based on the high growth scenario), particularly bulky goods type development. The Strategy recommended that this type of development be located within the West End Precinct.

The Strategy highlighted that the town centre is the commercial and social focus of Gunnedah and its district. Its structure, layout, design and amenity are critical components of its function and overall role in the community.

Two of the principal objectives the CILUS are:

- ▶ The focus of the town centre is to provide a range and diversity of commercial, retail and community facilities, including bulky goods, commensurate with its role as a district level centre.
- ▶ Development should contribute to the consolidation of a compact town centre.

2.2 Gunnedah Local Environmental Plan 1998

Council's current principal planning document, *Gunnedah Local Environmental Plan 1998* (1998 LEP), includes a number of commercial and industrial zones including:

- ▶ 3(a) Business Central - The 3(a) zone covers from east of Tempest Street in the west, Bloomfield Street in the north, Barber Street in the south and Osric Street in the east.
- ▶ 3(b) Business General - The 3(b) zone is located predominantly to the south and west of the 3(a) zone and is bound by Little Conadilly Street on the north, Railway Avenue in the south, Marquis Street in the east and Warrabungle Street in the west.
- ▶ 4(a) General Industry – The 4(a) zone is located in several locations including Oxley Highway, Blackjack Road and Quia Road (east).
- ▶ 4(b) Offensive Industry – The 4(b) zone is located at Quia Road (west).

The 1998 LEP will be superseded by the soon to be exhibited *Draft Gunnedah Local Environmental Plan 2011*.

2.3 Draft Gunnedah Local Environmental Plan 2011

Council has recently completed a draft local environmental plan (LEP) and has received approval from the DoP&I to publicly exhibit the document. The draft LEP is currently on public exhibition. The draft LEP proposes to rezone the existing 3(a) zone partly B2 Local Centre and partly B4 Mixed Use, whilst the 3(b) zone would be rezoned B5 Business Development. The land use tables for the B2, B4 and B5 zones are outlined below.

Zone B2 Local Centre

1 Objectives of zone

- *To provide a range of retail, business, entertainment and community uses that serve the needs of people who live in, work in and visit the local area.*
- *To encourage employment opportunities in accessible locations.*
- *To maximise public transport patronage and encourage walking and cycling.*
- *To generally conserve and enhance the business centre precincts by ensuring that new development integrates with the distinct urban scale, character, cultural heritage and landscape setting of those places.*
- *To enable a wide range of land uses that are associated with, ancillary to, or supportive of the retail and service functions of a business centre.*
- *To provide opportunities for a compatible mix of residential living above retail, commercial, recreational, cultural and community activities at street level.*
- *To ensure that adequate provision is made for infrastructure that supports the viability of business centre precincts, including public car parking, traffic management facilities, public transport facilities, cyclist facilities, pedestrian access paths, amenities, facilities for older and disabled people and general public conveniences.*

2 Permitted without consent

Environmental protection works; Home occupations; Roads

3 Permitted with consent

Boarding houses; Child care centres; Commercial premises; Community facilities; Educational establishments; Entertainment facilities; Function centres; Hostels; Information and education facilities; Medical centres; Passenger transport facilities; Recreation facilities (indoor); Registered clubs; Respite day care centres; Restricted premises; Service stations; Shop top housing; Tourist and visitor accommodation; Any development not specified in item 2 or 4

4 Prohibited

Agriculture; Air transport facilities; Airstrips; Animal boarding or training establishments; Boat launching ramps; Boat sheds; Camping grounds; Caravan parks; Cemeteries; Crematoria; Charter & tourism boating facilities; Correctional centres; Depots; Eco-tourist facilities; Electricity generating works; Environmental facilities; Exhibition homes; Exhibition villages; Extractive industries; Farm buildings; Forestry; Freight transport facilities; Heavy industrial storage establishments; Home-based child care; Industries; Industrial retail outlets; Industrial training facilities; Jetties; Marinas; Moorings; Mooring pens; Open cut mining; Port facilities; Recreation facilities (major); Recreation facilities (outdoor); Residential accommodation; Rural industries; Sewerage systems; Sex services premises; Storage premises; Transport depots; Truck depots; Vehicle body repair workshops; Warehouse or distribution centres; Waste or resource management facilities; Water recreation structures; Water treatment facilities; Wharf or boating facilities

Zone B4 Mixed Use

1 Objectives of zone

- *To provide a mixture of compatible land uses.*
- *To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling.*

- To support nearby or adjacent commercial centres without adversely impacting on the viability of those centres.

2 Permitted without consent

Environmental protection works; Home-based child care; Home occupations; Roads

3 Permitted with consent

Boarding houses; Child care centres; Commercial premises; Community facilities; Educational establishments; Entertainment facilities; Function centres; Hostels; Hotel or motel accommodation; Information and education facilities; Light industries; Medical centres; Multi dwelling housing; Passenger transport facilities; Recreation facilities (indoor); Registered clubs; Residential flat buildings; Respite day care centres; Restricted premises; Seniors housing; Shop top housing; Any development not specified in item 2 or 4

4 Prohibited

Agriculture; Air transport facilities; Airstrips; Animal boarding or training facilities; Cemeteries; Crematoria; Eco-tourist facilities; Electricity generating works; Exhibition homes; Extractive industries; Farm buildings; Farm stay accommodation; Forestry; Industries; Heavy industrial storage establishments; Industrial training facilities; Marinas; Moorings; Mooring pens; Open cut mining; Recreation facilities (major); Recreation facilities (outdoor); Residential accommodation; Rural industries; Sewerage systems; Sex services premises; Storage premises; Waste disposal facilities; Water treatment facilities; Wharf or boating facilities

Zone B5 Business Development

1 Objectives of zone

- To enable a mix of business and warehouse uses, and specialised retail uses that require a large floor area, in locations that are close to, and that support the viability of, centres.

2 Permitted without consent

Environmental protection works; Roads

3 Permitted with consent

Bulky goods premises; Child care centres; Garden centres; Hardware and building supplies; Landscaping material supplies; Light industries; Passenger transport facilities; Respite day care centres; Shop-top housing; Warehouse or distribution centres; Any development not specified in item 2 or 4

4 Prohibited

Agriculture; Air transport facilities; Airstrips; Animal boarding or training establishments; Bed & breakfast accommodation; Cemeteries; Correctional centres; Crematoria; Eco-tourist facilities; Electricity generating works; Exhibition homes; Extractive industries; Farm buildings; Farm stay accommodation; Forestry; Heavy industrial storage establishments; Home industries; Home occupation (sex services); Industries; Industrial training facilities; Marinas; Moorings; Mooring pens; Open cut mining; Recreation facilities (major); Recreation facilities (outdoor); Residential accommodation; Restricted premises; Roadside stalls; Rural industries; Sewerage systems; Sex services premises; Storage premises; Waste disposal facilities; Water treatment facilities; Wharf or boating facilities

The B5 Business Development zone is the only zone that would permit the development of bulky goods developments in line with the type proposed by the planning proposal.

2.4 Planning Proposal

The planning proposal lodged with Council is seeking to rezone Lots 1 & 5 DP 828373 from 1(a) Rural (Agricultural Protection), 2(a) Residential and 9(a) Proposed Road to 3(b) Business (General). The developer's ultimate objective is to establish a motor showroom and vehicle sales yard on the southern end of the site. The developer also proposes to create an internal road which would allow the residue of land to be subdivided to specifically cater for and accommodate businesses that require large allotments with special needs.

Further correspondence also indicated that the proposed rezoning would allow for opportunities for the development of a fuel station, tyre dealership and bulky goods stores. This correspondence notes that 'these opportunities are not readily available or easily achieved at present in the land zoned for same and seemed to be a logical extension to the initial proposal'.

The justification presented in the planning proposal points to the need for a large area for future commercial development, particularly bulky goods type development. The subject land has been chosen by the developer as it is a major gateway to Gunnedah and offers prominent highway exposure. The proposal states that 'all these extremely desirable attributes are in most cases mandatory when selecting new locations for motor showrooms and major bulky goods stores'.

The planning proposal notes that the area currently zoned for commercial development within the Gunnedah CBD contains a large number of individual lots, highly fragmented with an average lot area estimated at approximately 1000 square metres. It notes that future bulky goods development would require the consolidation of a considerable number of allotments, which are generally owned by separate individuals. Hence, a 'green field' site is more preferable in the short term and more economically viable.

However, the planning proposal does not provide adequate justification for the proposal, as it does not address the CILUS criteria and in sections acknowledges that it does not meet the intent and criteria of the CILUS.

2.5 North West Projects P/L Development Application

North West Projects P/L has recently been granted development consent by Council for a proposed industrial subdivision at Blackjack Road in North Gunnedah. The Blackjack Road site is described as Lot 333, 334, 336-339 DP 755503, Lot 1 DP 1111136 and Lots 1-2 DP 120946 and is located on the corner of Quia and Blackjack Roads, Gunnedah. The subdivision will facilitate the creation of 90 new industrial lots, 4,200 metres of new road and approximately 12.4 hectares of drainage reserve incorporating stormwater detention basins and overland flow paths.

Condition No. 1(d) on the development consent states that:

"A satisfactory concept servicing strategy shall be provided for the development, for approval by the Water Supply Authority (Council) prior to the submission of the detailed engineering drawings accompanying the application for a Construction Certificate for the first stage of the subdivision. The strategy shall make provision for water supply, sewerage and underground electrical reticulation for each lot. Prior to the preparation of the water and servicing strategy, the applicant shall consult with the Water Supply Authority (Council) concerning the applicable servicing strategy".

Council is currently liaising with the applicant to determine the most cost effective way of providing the required services to the North Gunnedah site. One option is to forward fund a sewerage pump station



and rising main in Quia Road. In this regard, grant monies are being sought by Council to assist in funding this infrastructure from Department of Trade and Investment.

2.6 Daracon Proposed Development Application

Daracon are currently preparing a development application for the industrial subdivision of land at West Gunnedah. The site is located to the west of the existing industrial development, north of the Oxley Highway. Whilst the site is capable of being serviced, the capacity of the existing infrastructure is in question, particularly given the proposed industrial subdivision of the Blackjack Road site.

3. Supply Analysis

3.1 3(a) Business Central Zone

The 3(a) Business Central zone covers the existing town centre of Gunnedah. The town centre presents as a linear, street based centre, focussed on Conadilly Street. Conadilly Street continues east to become the Oxley Highway and west to become the Kamilaroi Highway which then connects to Boggabri and Narrabri further to the west. The Oxley Highway provides access to Curlewis, Quirindi, Mullaley, Coonabarabran and Tamworth to the east.

The town structure has evolved in a similar manner to retail and commercial development patterns in many other regional towns, whereby the major through route also functions as the main trading street.

The linear form of the town centre reflects its early development as a highway based service centre. The 3(a) zone covers from east of Tempest Street in the west, Bloomfield Street in the north, Barber Street in the south and Osric Street in the east.

The Gunnedah town centre benefits from a number of anchor tenants including:

- ▶ Best and Less;
- ▶ Co-op Store;
- ▶ Coles;
- ▶ Country Target;
- ▶ Franklins; and
- ▶ Woolworths.

These stores are the major anchors in the town centre and as such form the basis for the 'core precinct' of the town centre. Pedestrian access within the core retail area is generally of a high quality; access to the major anchor stores which are located off the main street is provided by a series of dedicated pedestrian pathways and street access. In addition, designated crossings, street furniture and landscaping all contribute to a pleasant environment.

The extent of the 3(a) Business Central zone, which forms the Gunnedah town centre, is illustrated in Figure 3-1.



Figure 3-1 Extent of Existing 3(a) Business Central Zone

3.1.1 Land Use Survey

A land use survey was undertaken from 6 - 7 October 2011 to determine the extent of developed commercial and retail development within the 3(a) zone. The survey was limited in that it was undertaken from the street and did not involve entry to each property to verify use or floorspace. Appendix A contains an illustration of the land that is either developed for retail or commercial purposes, public/ community infrastructure, housing or is vacant.

The survey found that of the 31 hectares of land zoned 3(a) under the Gunnedah LEP 1998, approximately 7.3ha or 23.5% has been developed for commercial purposes, 10.8ha or 35% has been developed for retail purposes, 4.2ha or 13.5% has been developed for public/ community infrastructure, 7.2ha or 23% has been developed for residential housing, and 1.3ha or 4.2% has a combination of retail, commercial or housing development. Approximately 0.2ha or 0.6% was vacant land.

3.2 3(b) Business General Zone

The 3(b) Business General zone is located predominantly to the south and west of the 3(a) zone and is bound by Little Conadilly Street on the north, Railway Avenue in the south, Marquis Street in the east and Warrabungle Street in the west. The zone accommodates a range of commercial land uses including car dealerships, agricultural farm supplies and equipment, hardware as well as a considerable amount of dwellings used for residential purposes. Much of the housing stock in this zone is between 50 and 100 years old.

The extent of the 3(b) Business General zone is illustrated in Figure 3-2.



Figure 3-2 Extent of Existing 3(b) Business General Zone

3.2.1 Land Use Survey

A land use survey was undertaken from 6 - 7 October 2011 to determine the extent of developed commercial and retail development within the 3(b) zone. The survey was limited in that it was undertaken from the street and did not involve entry to each property to verify use or floorspace. Appendix A contains an illustration of the land that is either developed for retail or commercial purposes, public/ community infrastructure, housing or is vacant.

The survey found that of the 21.6ha of land zoned 3(b) under the Gunnedah LEP 1998, approximately 2.9ha or 13.4% has been developed for commercial purposes, 7.25ha or 33.6% has been developed for retail purposes, 0.2ha or 0.9% has been developed for public/ community infrastructure, 10.0ha or 46.2% has been developed for residential housing, and approximately 1.25ha or 5.8% was vacant land.

3.3 Gunnedah 2008 Retail and Commercial Floor Space

At the time of the *Gunnedah 2008 Commercial and Industrial Land Use Strategy*, there was approximately 64,000 square metres of retail, commercial and community facilities floorspace in the Gunnedah township, comprising primarily of:

- core retail goods floorspace - 16,000 square metres;
- bulky goods floorspace - 6,000 square metres;
- services floorspace - 9,500 square metres;
- trade services floorspace - 11,000 square metres;
- other community floorspace - 16,500 square metres;
- vacant floorspace - 4,400 square metres.

3.4 2011 Retail and Commercial Floor Space

A review of Council's records suggest that there were a total of 25 development applications approved for commercial offices, additions and alterations between 2008 and 2011. In addition to these applications, 14 approvals were granted by Council for change of use applications. Whilst floorspace data was not available at the time of preparing this report, it is estimated (from past increases in floorspace and the land use survey undertaken on 6 – 7 October 2011) that these applications have increased the retail, commercial and community facilities floorspace in the Gunnedah township by approximately 1% bringing the total floorspace to approximately 64,700 square metres.

3.5 Vacancy Rates

The land use survey undertaken on 6 - 7 October 2011 and discussions with real estate agents were relied upon to determine vacancy rates of retail and commercial floorspace across the 3(a) and 3(b) zones. It was revealed that approximately 3,235m² or 5% of existing floorspace was vacant at the time of the survey.

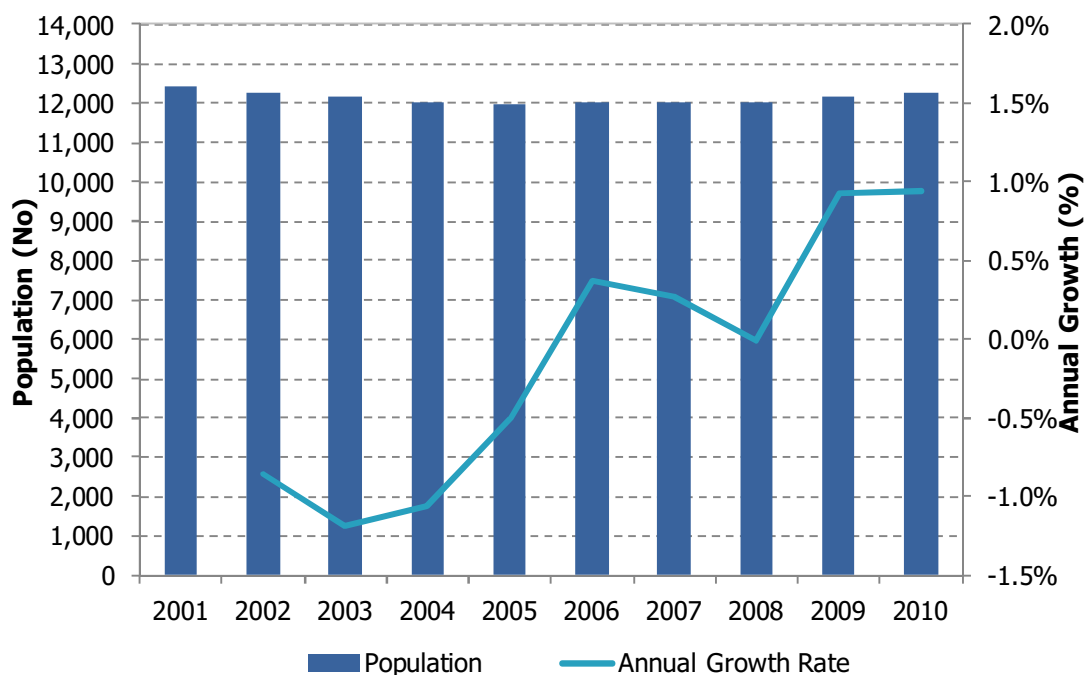
4. Demand Analysis

4.1 Population

A recent publication prepared for Council by Public Practice Pty Ltd, *A Portrait of Gunnedah* (January 2011) reveals that in 2009 (the most recent year for which ABS estimates is available) the estimated resident population of the Gunnedah LGA was 12,162. This represents an increase of 662 people from the 2006 Census.

4.2 Population Growth

The Gunnedah Shire recorded a declining population between 2001 to 2005, with the drought having a negative impact on the local economy and resulting in people leaving the Shire (see Figure 4-3). In the last five years, the declining trend has reversed, with the Shire recording population growth on the back of growth in the mining sector with operations commencing in 2006. Gunnedah has recorded strong population growth over the last two years, largely driven by the commencement of nearby coal mining operations at Rocglen and Boggabri.



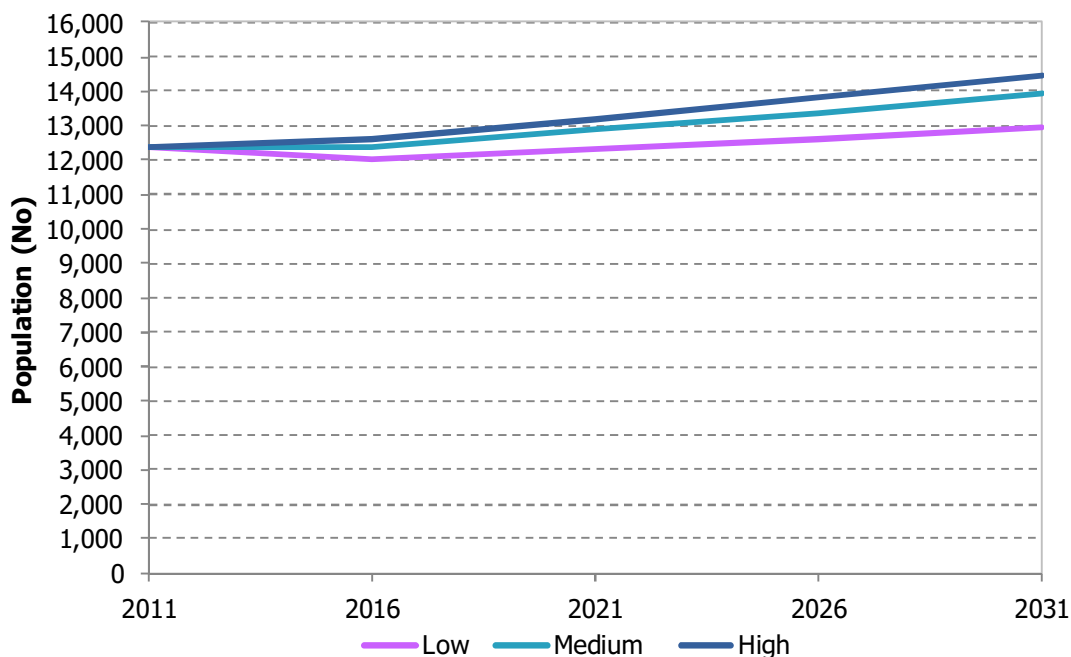
Source: ABS (2011)

Figure 4-1 Historical Population Growth – Gunnedah Shire, 2001-10

As part of the development of the *Gunnedah 2008 Commercial and Industrial Land Use Strategy*, Collie Pty Ltd developed population projections for the Gunnedah LGA. The projections were prepared on the basis of local housing and population trends and utilised a range of local variables, including the number and nature of dwelling unit approvals, the rate of conversion of dwelling unit approvals to new dwellings as well as occupancy rates and household size.

Since the completion of the *Gunnedah 2008 Commercial and Industrial Land Use Strategy*, estimated resident population data from the Australian Bureau of Statistics indicates that the Gunnedah LGA has recorded strong population growth which reflects investment and job creation in the mining sector. As such, GHD in association with the AECgroup has revised the previous population projections based on the updated population estimates. AECgroup has taken the most recent ABS population estimates and then applied the projected growth rates from the *Gunnedah 2008 Commercial and Industrial Land Use Strategy*. Household projections have been developed based on average household sizes and projected future trends in household size (see Figure 4-2 and Table 4-1).

The population of the Gunnedah Shire is expected to increase by over 1,500 persons to almost 14,000 in 2031 under a medium scenario.



Source: Collic Pty Ltd (2008), NSW Department of Planning (2008), AECgroup

Figure 4-2 Population Projections – Gunnedah Shire, 2011-31

Table 4-1 Population and Household Projections - Gunnedah Shire, 2011-31

Projections	2011	2016	2021	2026	2031	Change (2011-31)
<i>Population Projections (persons)</i>						
Low	12,381	12,014	12,315	12,623	12,938	557
Medium	12,381	12,377	12,872	13,386	13,921	1,540
High	12,381	12,595	13,184	13,801	14,446	2,065

Projections	2011	2016	2021	2026	2031	Change (2011-31)
<i>Household Projections (households)</i>						
Low	4,563	4,494	4,648	4,802	4,959	396
Medium	4,563	4,630	4,859	5,093	5,336	773
High	4,563	4,712	4,977	5,251	5,537	974

Source: Collie Pty Ltd (2008), NSW Department of Planning (2008), AECgroup

4.3 Dwelling Approvals between 2008 and 2011

Council dwelling approval records obtained between 2008 and 2011 reveal that there has been a steady increase in dwelling approvals since 2008. Table 4-2 below illustrates the number of new dwellings approved each year since 2008.

Table 4-2 Dwelling Approvals between 2008 and 2011

Year	New Dwelling Approvals
2008	36
2009	38
2010	70
2011 (to June only)	39

4.4 Recent Retail/ Commercial Demand Trends

There were 58 transactions of retail/ commercial properties recorded for Gunnedah Shire between 2008 and 2011. As shown below in Table 4-3, there were 20 commercial sales in 2008, 15 in 2009, 19 in 2010 and 4 in 2011. Eleven of the commercial properties that were purchased are located in the Gunnedah. Due to incomplete sales data and a wide variance in the size and price of the recorded properties, it is not possible to report statistically reliable average price per square metre for this type of property.

Table 4-3 Retail/ Commercial Sales, Gunnedah Shire Council 2008 – 2011

Address	Land Use	Sales Price	Area	Price/m ²	Sales Date
26 Barber St	Business	\$170,000	1012	\$167.9	15/06/10
27 Barber St	Business	\$186,000	721	\$257.9	5/02/08
36 Barber St	Business	\$220,000	1069	\$205.7	30/07/10
106 Barber St	Business	\$230,000	607	\$378.9	1/07/10
110 Barber St	Business	\$500,000	952	\$525.2	26/08/08
101 Bloomfield St	Business	\$2,000,000	1012	\$1976.2	2/11/10
17 Chandos St	Business	\$450,000	1426	\$315.5	6/05/09

Address	Land Use	Sales Price	Area	Price/m ²	Sales Date
29 Chandos St	Business	\$298,000	443	\$672.6	19/07/08
31 Chandos St	Business	\$298,000	537	\$554.9	19/07/08
34 Chandos St	Business	\$250,000	613	\$407.8	14/10/08
72 Conadilly St	Business	\$1,565,000	3979	\$393.3	30/06/09
73 Conadilly St	Business	\$1,565,000	2269	\$689.7	30/06/09
79 Conadilly St	Business	\$1,565,000	1005	\$1557.2	30/06/09
83 Conadilly St	Business	\$1,565,000	1081	\$1447.7	30/06/09
107 Conadilly St	Business	\$380,000	734	\$517.7	18/06/09
117 Conadilly St	Business	\$750,000	1836	\$408.4	25/08/08
161 Conadilly St	Business	\$430,000	370	\$1162.1	16/06/10
179 Conadilly St	Business	\$136,378	639	\$213.4	12/11/10
197 Conadilly St	Business	\$110,000	430	\$255.8	10/01/08
222 Conadilly St	Business	\$6,350	2968	-	27/11/08
231 Conadilly St	Business	\$500,000	2011	\$248.63	4/04/08
231 Conadilly St	Business	\$600,000	2011	\$298.35	26/05/10
232 Conadilly St	Business	\$1,080,000	1707	\$632.6	6/05/09
235 Conadilly St	Business	\$179,000	221	\$809.9	9/02/10
240 Conadilly St	Business	\$305,000	221	\$1380.0	17/04/08
270 Conadilly St	Business	\$330,000	1164	\$283.5	21/08/09
286 Conadilly St	Business	\$245,000	658	\$372.3	9/10/08
326 Conadilly St	Business	\$400,000	474	\$843.8	4/02/11
336 Conadilly St	Business	\$225,000	827	\$272.0	23/06/08
362 Conadilly St	Business	\$260,000	1005	\$258.7	23/01/08
363 Conadilly St	Business	\$500,000	1138	\$439.3	7/01/08
364 Conadilly St	Business	\$160,000	961	\$166.4	15/11/08
37 Little Barber St	Business	\$260,000	1012	\$256.9	30/09/10
44 Little Barber St	Business	\$1,565,000	835	\$1,874.2	30/06/09
46 Little Barber St	Business	\$1,565,000	762	\$2,053.8	30/06/09
75 Little Barber St	Business	\$155,000	1100	\$140.9	28/09/09
140 Little Barber St	Business	\$500,000	1902	\$262.8	7/01/08
142 Little Barber St	Business	\$500,000	718	\$696.3	7/01/08

Address	Land Use	Sales Price	Area	Price/m ²	Sales Date
51 Little Conadilly St	Business	\$1,565,000	593	\$2,639.1	30/06/09
100 Little Conadilly St	Business	\$2,000,000	1328	\$1,506.0	2/11/10
102 Little Conadilly St	Business	\$2,000,000	447	\$4,474.2	2/11/10
104 Little Conadilly St	Business	\$2,000,000	955	\$2,094.2	2/11/10
105 Little Conadilly St	Business	\$450,000	1219	\$369.1	18/09/09
76 Marquis St	Business	\$460,000	1246	\$369.1	20/11/10
82 Marquis St	Business	\$190,965	797	\$239.6	19/10/10
96 Marquis St	Business	\$180,000	120	\$1,500.0	1/04/08
96 Marquis St	Business	\$240,000	120	\$2,000.0	3/06/10
98 Marquis St	Business	\$145,000	131	\$1,106.8	8/03/10
100 Marquis St	Business	\$135,000	123	\$1,097.5	23/09/08
111 Marquis St	Business	\$275,000	177	\$1,553.6	16/05/08
141 Marquis St	Business	\$2,000,000	1097	\$1,823.1	2/11/10
52 Railway St	Business	\$280,000	616	\$454.5	1/12/09
14 Rosemary St	Business	\$572,000	860	\$665.1	8/06/10
15 Rosemary St	Business	\$160,000	435	\$367.8	14/05/09
16 Rosemary St	Business	\$572,000	3187	\$179.4	8/06/10
12 Tempest St	Business	\$400,000	797	\$501.8	1/04/11
16 Tempest St	Business	\$400,000	1095	\$365.2	1/04/11
23 Tempest St	Business	\$290,000	890	325.8	24/02/11

Source: RP Data

There is only one partially undeveloped commercial/retail site currently for sale within Gunnedah. The 4,695m² site comprises 5 separate parcels of land, two of which have been developed for a cottage and a restaurant respectively. The site is zoned 3(a) and is located with highway frontage on Conadilly Street. The site is for sale at \$980,000 or \$208 per square metre.

Local real estate agents consulted advised that sales activity has been slow since the onset of the global financial crisis, though interest in properties for commercial or retail use has been greater than the interest in the Shire's industrial properties. Sites within close proximity to the Gunnedah CBD have generally sold within a short time frame, albeit at a discount to the asking prices. Agents felt that there was not enough diversity in the commercial sites, particularly in regard to the small number of larger retail sites.

The demand for further retail and commercial property in the Gunnedah Shire will be a product of its population growth, the spending patterns of its residents and the development of the industries that employ white collar workers. While it is unlikely the retail sector of Gunnedah Shire will represent

significant competition to Tamworth in the future, there is a need to strengthen the retail sector in Gunnedah to prevent scattered development which could lead to increased retail leakage.

A potential opportunity for growth of the Shire's commercial sectors lies in the Shire's mining industry.

4.5 Issues Affecting Demand

Mining has had a significant impact on the Gunnedah Shire's economy in the last 2 years and is expected to result in strong economic and population growth over the next two decades.

The Gunnedah Basin has one of the largest coal reserves in NSW with several mining operations located in the area. While there is only one mine currently located in the Gunnedah Shire, the town of Gunnedah is the closest major township to the majority of the mines, which has made it an attractive location for workers to live and a range of businesses providing services to the mines. There are currently six coal mines located within the Gunnedah Basin comprising:

Sunnyside Mine (Gunnedah Shire): Located approximately 15km west of Gunnedah and operated by Whitehaven Coal. The Sunnyside open cut commenced production in December 2008 and now produces around 1 million tonnes per annum (Mtpa) of raw coal for the export market. The coal is trucked by road to Gunnedah for washing and loading for transport by rail to the Port of Newcastle.

Rocglen Mine (Narrabri Shire): Located approximately 28 km north of Gunnedah on the Wean Road and operated by Whitehaven Coal. Production commenced in late 2008 with approximately 1.5 Mtpa of coal mined using truck and excavator method. Coal is trucked 30 km by road to Gunnedah for selective washing and transported by rail to the Port of Newcastle. Around 50 people are employed on site.

Narrabri North Mine – Stage 1 (Narrabri Shire): The Narrabri Mine is located 28km south of Narrabri and began production in June 2010. When in full production, the mine is expected to produce approximately 0.5 - 0.7 million tonnes per annum (Mtpa) of coal for the export market. The mine cost over \$227 million to construct and employed 120 people and more than 25 contracting businesses were involved in the development.

Boggabri Mine (Narrabri Shire): Idemitsu Boggabri Coal commenced mining operations at the Boggabri open cut coal mine in 2006. The mine produces up to 1.5 Mtpa of semi-soft coking and thermal coal with the potential to increase output to 5 Mtpa. The mine currently employs 145 personnel, including contractors.

Tarrawonga Mine (Narrabri Shire): The Tarrawonga Coal Mine is located approximately 15 km north-east of Boggabri. The Tarrawonga open cut mine commenced production in June 2006 with coal trucked 40km to Gunnedah for selective washing and loading onto rail for transport to Newcastle. Mining is by truck and excavator method to produce up to 1.5 million tonnes of export coal per year. Around 60 people are employed. The mine has an 8 to 10 year life to extract approximately 12.4 Mt of coal at a maximum rate of 2 Mt a year.

Werris Creek (Liverpool Plains): Located approximately 4kms south of Werris Creek (and 60km south west of Gunnedah) on the Quirindi Road and operated by Whitehaven Coal. Werris Creek is mined using truck and excavator producing up to 1.5 million tonnes per annum as raw coal for the export market. The coal is transported directly by rail from Werris Creek to the Port of Newcastle. Around 66 people are employed on site.

The mining sector in the Gunnedah Basin continues to record strong growth with an additional mine and two mine expansions planned for the region over the next four years including:

Boggabri Mine Expansion: Idemitsu announced plans in September 2010 for a \$150 million expansion of its Boggabri mine. The planned expansion would triple coal output to more than four million tonnes by 2013 and is expected to generate another 150 jobs.

Maules Creek Project: Aston Resources owns the Maules Creek coal project in NSW, which it bought from Coal and Allied for \$480 million in 2009. Maules Creek has 356 million tonnes in reserves of high quality coking coal, which Aston expects to start producing in 2012, ramping up to full production of 10.8 million tonnes a year in 2014. The project is estimated to have a peak construction workforce of 400 and an operational workforce of between 450-500.

Narrabri North Mine – Stage 2: The Narrabri North Mine is located 28km south of Narrabri and Stage 1 began production in June 2010. Stage 2 was approved in August 2010 and allows for the production of 8Mtpa from longwall mining. The Stage 2 development involves capital expenditure of approximately \$300 million. Full time employment at the mine is expected to rise to 208 as the mine moves into full production of approximately 6 Mtpa.

Within the wider Gunnedah Basin, there is also a planned development by Shenhua at Watermark in the Gunnedah LGA and BHP in Carroona in the Liverpool Plains LGA. The Carroona Coal Exploration area is located about 50km southeast of Gunnedah and 30km northwest of Quirindi and covers an area of approximately 350km². In April 2006, the NSW Minister for Mineral Resources awarded the coal exploration licence for the Carroona area to BHP Billiton. Currently the project is in the Targeted Exploration phase. The Carroona deposit is estimated to contain more than 500 Mt of in situ potentially mineable underground coal that may produce a high quality exportable thermal coal.

4.6 Retail and Commercial Demand

This section presents the projected retail and commercial office floorspace requirements in the Gunnedah Shire over the next two decades. Low, medium and high demand projections have been developed based on projected population growth scenarios. The purpose of this analysis was to determine whether the estimates provided in the *2008 Gunnedah Commercial and Industrial Land Use Strategy* are still relevant given the growth over the past 3 years.

4.6.1 Retail Demand

Assumptions

The retail model is based on the Australian Bureau of Statistics (ABS) Household Expenditure Survey, Australia – 2009-10 which reports average expenditure by households on different categories. Average expenditure is reported for Regional NSW with these estimates revised for the Gunnedah Shire by comparing average household incomes in the Gunnedah Shire with the Regional NSW average. Average household expenditure is multiplied by the number of households in the Gunnedah Shire to estimate annual household retail expenditure. Visitor expenditure is calculated by estimating the number of annual visitors to the Gunnedah Shire and multiplying by the average expenditure by visitors on retail categories. Key assumptions include:

Retail Growth: It has been estimated that real growth in household expenditure will be 1.0% per annum across all retail categories. This is a conservative estimate and reflects projected wage growth in the economy and higher disposable income.

Leakage: The Gunnedah Shire can be categorised as a district level centre with considerable leakage of retail expenditure outside of the Gunnedah Shire to major centres such as Tamworth and Armidale. It has been assumed that there is a 10% leakage in expenditure on convenience categories such as groceries, restaurants, cafes and personal services and a higher leakage of 30% on discretionary categories such as clothing, furniture, appliances, entertainment equipment and hardware.

Annual Turnover by Retail Sector: AECgroup has used widely accepted industry benchmarks for annual turnover by square metres for the seven retail subsectors. There is significant variance in the annual turnover per square metres of the various retail subsectors, with groceries and specialty foods achieving the highest annual turnover (\$8,000 per square metres) and garden and homeware (\$3,500) goods achieving the lowest.

An overview of these assumptions is presented in Table 4-4.

Table 4-4 Retail Model Assumptions

Category	Assumption
Real Annual Growth in Retail Expenditure	1 %
Leakage – Convenience	10%
Leakage - Discretionary	30%
Turnover by Retail Sector (\$/m ²)	Groceries & Specialty Food
	\$8,000
	Food & Liquor Catering
	\$6,500
	Clothing & Accessories
	\$5,500
	Furniture, Houseware & Appliances
	\$4,500
	Recreation & Entertainment Equipment
	\$4,500
	Garden & Hardware Goods
	\$3,500
	Other Goods & Personal Services
	\$6,000

Source: AECgroup

4.6.2 Retail Floorspace Demand

There is estimated to be demand for an additional 5,000 to 7,400 m² of retail floorspace in the Gunnedah Shire between 2011 to 2031, with approximately 15% of this demand being for bulky goods retailing.

Low Population Growth Forecasts: Based on low population forecasts for the Gunnedah Shire, there will be an estimated 5,020 m² of additional retail premises required by 2031, or an average of approximately 250 m² per annum.

Medium Population Growth Forecasts: Based on medium population forecasts for the Gunnedah Shire, an additional 6,571 m² of retail premises will be required by 2031. This equates to an average of approximately 330 m² per annum.

High Population Growth Forecasts: Based on high population forecasts for the Shire, an additional 7,399 m² of retail premises will be needed by 2031, representing an average annual additional requirement of nearly 370 m² per annum.

Table 4-5 Estimated Retail Requirement - Gunnedah Shire, 2011-31

Retail Category	2011	2016	2021	2026	2031
<i>Low Population Forecasts (m²)</i>					
Groceries & Specialty Food	5,498	5,676	6,135	6,626	7,156
Food & Liquor Catering	4,393	4,479	4,698	4,932	5,186
Clothing & Accessories	2,376	2,418	2,526	2,642	2,767
Furniture, Houseware & Appliances	2,052	2,116	2,279	2,454	2,643
Recreation & Entertainment Equipment	2,152	2,219	2,391	2,576	2,775
Garden & Hardware Goods	885	905	957	1,012	1,072
Other Goods & Personal Services	2,559	2,643	2,857	3,087	3,335
Total (m ²)	19,914	20,455	21,843	23,330	24,934
Estimated Additional Floor space (m ²)		541	1,928	3,415	5,020
Growth in Demand (Five Yearly)		2.7%	6.8%	6.8%	6.9%
<i>Medium Population Forecasts (m²)</i>					
Groceries & Specialty Food	5,498	5,835	6,393	7,002	7,668
Food & Liquor Catering	4,393	4,555	4,821	5,112	5,430
Clothing & Accessories	2,376	2,456	2,587	2,731	2,888
Furniture, Houseware & Appliances	2,052	2,172	2,371	2,588	2,826
Recreation & Entertainment Equipment	2,152	2,279	2,488	2,717	2,968
Garden & Hardware Goods	885	923	986	1,055	1,131
Other Goods & Personal Services	2,559	2,717	2,978	3,263	3,575
Total (m ²)	19,914	20,937	22,626	24,468	26,485
Estimated Additional Floor space (sqm)		1,022	2,712	4,553	6,571
Growth in Demand (Five Yearly)		5.1%	8.1%	8.1%	8.2%
<i>High Population Forecasts (m²)</i>					
Groceries & Specialty Food	5,498	5,931	6,539	7,206	7,942
Food & Liquor Catering	4,393	4,600	4,891	5,209	5,561
Clothing & Accessories	2,376	2,478	2,622	2,779	2,953
Furniture, Houseware & Appliances	2,052	2,206	2,423	2,661	2,923

Retail Category	2011	2016	2021	2026	2031
Recreation & Entertainment Equipment	2,152	2,315	2,543	2,794	3,071
Garden & Hardware Goods	885	934	1,003	1,078	1,162
Other Goods & Personal Services	2,559	2,762	3,046	3,358	3,703
Total (sqm)	19,914	21,226	23,066	25,085	27,313
Estimated Additional Floor space (sqm)		1,312	3,151	5,171	7,399
Growth in Demand (Five Yearly)		6.6%	8.7%	8.8%	8.9%

Source: AECgroup

4.6.3 Commercial Demand

Assumptions

The office demand model is based on forecasting the number of people that will be employed in office related jobs by assessing labour force characteristics from the 2006 Census and applying to the projected population. An office floorspace benchmark is applied to the office employment projections to determine required floorspace. Key assumptions include:

Office Workers: At the time of the 2006 Census, 9.6% of the workers in the Gunnedah Shire were employed in office related jobs which have been defined as employees in the information media & telecommunications, financial & insurance services, rental, hiring & real estate services, professional, scientific & technical services and administrative & support services sectors. It is assumed that this proportion will remain stable over the next 20 years.

Floorspace per Employee: The Colliers Tenancy Survey found that office businesses in Australia had an average of 19.4 m² of floorspace per employee in 2010. The Gunnedah Shire has been assumed to be in line with the national benchmark and remain stable over the next 20 years.

Workforce Participation Rate: At the time of the 2006 Census, the Gunnedah Shire recorded a workforce participation rate (proportion of residents employed in the region) of 34.9%. It is assumed that this proportion will remain stable over the next 20 years.

Table 4-6 Office Model Assumptions

Category	Assumption
Office Workers as a proportion total Workforce	9.6%
Workforce Participation Rate*	34.9%
Average square metres per Employee	19.4

Source: ABS (2007), Colliers (2010) AECgroup

Note:* Proportion of residents employed in the region.

4.6.4 Commercial Floorspace Demand

There is estimated to be demand for an additional 362 to 1,341 m² of commercial floorspace in the Gunnedah Shire between 2011 to 2031.

Low Population Growth Forecasts: Utilising low scenario population forecasts, Gunnedah Shire will need an additional 392 m² of commercial office premises by 2031, or an average of approximately 20 m² per annum. Under this scenario, the strongest growth in demand will occur between 2026 and 2031.

Medium Population Growth Forecasts: Based on the medium scenario population forecasts, Gunnedah Shire will need an additional 1,083 m² of commercial office premises by 2031, or an average of approximately 50 m² per annum. Under this scenario, the demand is projected to remain unchanged between 2011 and 2016, thereby growing at an average annual rate of 0.8% through to 2031.

High Population Growth Forecasts: Based on high population forecasts, Gunnedah Shire will need an additional 1,452 m² of commercial office premises by 2031, or an average of approximately 70 m² per annum. Under this scenario, the demand is projected to increase at a five yearly rate of 4.7% between 2016 and 2031.

Table 4-7 Estimated Office Requirement - Gunnedah Shire, 2011-31

	2011	2016	2021	2026	2031
<i>Low Population Forecasts</i>					
Projected Office Workers	414	402	412	422	433
Projected Floor space (m ²)	8,039	7,801	7,996	8,196	8,401
Projected Additional Floor space (m ²)		0	0	157	362
Growth in Demand (Five Yearly)		-3.0%	2.5%	2.5%	2.5%
<i>Medium Population Forecasts</i>					
Projected Office Workers	414	414	431	448	466
Projected Floor space (m ²)	8,039	8,037	8,358	8,692	9,039
Projected Additional Floor space (m ²)		0	319	653	1,000
Growth in Demand (Five Yearly)		0.0%	4.0%	4.0%	4.0%

	2011	2016	2021	2026	2031
<i>High Population Forecasts</i>					
Projected Office Workers	414	422	441	462	484
Projected Floor space (m ²)	8,039	8,178	8,561	8,961	9,380
Projected Additional Floor space (m ²)		139	522	922	1,341
<i>Growth in Demand (Five Yearly)</i>		1.7%	4.7%	4.7%	4.7%

Source: AECgroup

4.7 Summary

The growth in the mining sector has had a significant impact on the Gunnedah Shire's economy and is expected to result in strong economic and population growth over the next two decades. The population of the Gunnedah Shire is expected to increase by over 1,500 persons to almost 14,000 in 2031.

Gunnedah is the closest major township to the majority of the mines, which has made it an attractive location for workers to live and a range of businesses providing services to the mines. The importance of the town as a service centre is likely to increase with the development of new mining projects.

Based on the low, medium and high projections, it is forecast that the Gunnedah Shire will require an additional 5,380 m² to 8,740 m² of retail and commercial office floorspace by 2031. This equates to an average of approximately 270 m² to 440 m² per annum respectively. Table 4-8 shows the likely floorspace requirements to 2031.

Table 4-8 Additional Retail & Commercial Office Requirement (sqm), 2011-31

Scenario	2016	2021	2026	2031
Low	541	1,928	3,572	5,381
Medium	1,022	3,030	5,206	7,571
High	1,451	3,673	6,093	8,740

Source: AECgroup

Note: The figures may not add to the sum of additional retail and commercial office floorspace owing to rounding issues.

It is recognised that these estimates differ from those presented in the *2008 Gunnedah Commercial and Industrial Strategy*. This strategy identified the need for up to 15,210m² of additional floorspace with a land requirement of approximately 7 hectares based on the following assumptions:

- The site area to building area ratio is 3:1; and
- The building area required to accommodate 15,000m² of leasable floorspace is approximately 23,500m².

Applying a similar ratio to the floorspace estimates identified from the AECgroup demand analysis, a land requirement of up to 4 hectares would be required to accommodate future retail and commercial development in Gunnedah.

5. Site Analysis

5.1 East Gunnedah Site

The East Gunnedah site is referred to as Lots 1 & 5 DP 828373, Boundary Road, Gunnedah and is located on the eastern entry to Gunnedah at the most eastern limit of the Gunnedah urban area. The site encompasses an area of 7.387 hectares of predominantly cleared, north sloping land with a frontage of approximately 200 metres to the Oxley Highway. The site is bound to the north and east by cleared rural land, to the south by developed and undeveloped residential land and to the west by residential development. An aerial photo of the land and its surrounds are shown in Figure 5-1. The existing LEP zoning is shown in Figure 5-2, whilst Figure 5-3 shows the proposed LEP zoning.



Figure 5-1 East Gunnedah Site

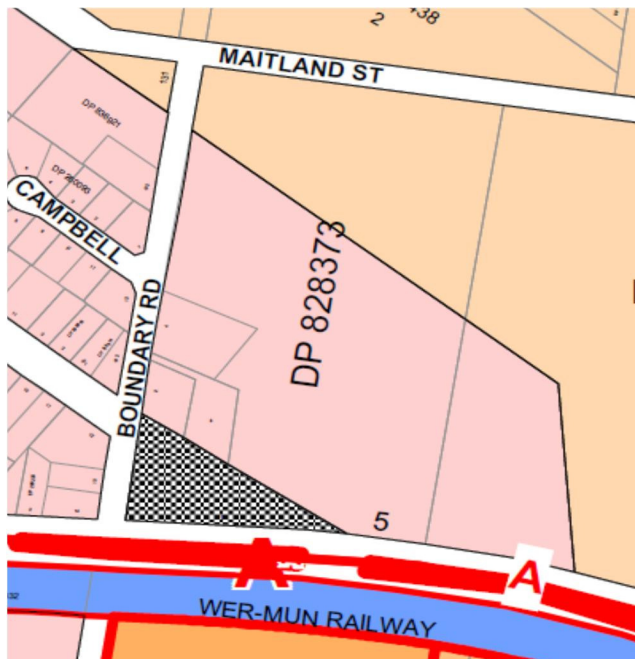


Figure 5-2 Existing LEP Zones

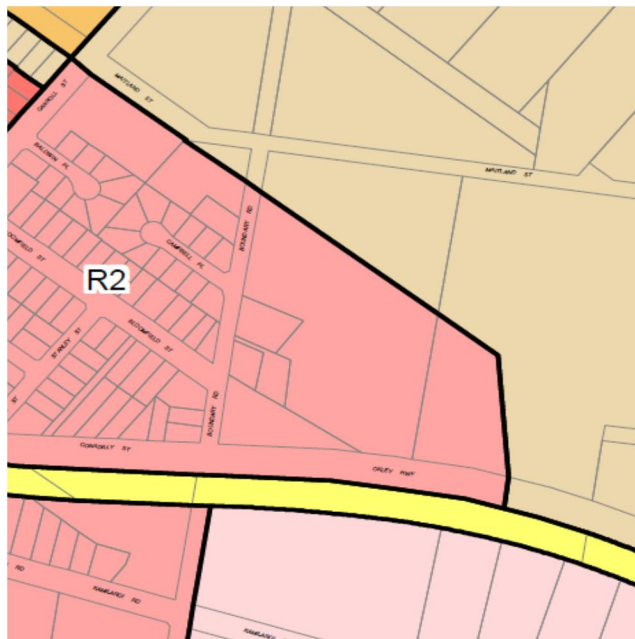


Figure 5-3 Draft LEP Zones

The land is currently zoned partly 1(a) Rural (Agricultural Protection), partly 2(a) Residential and 9(a) Reservation under the provisions of Gunnedah LEP 1998. The 2(a) zone covers approximately 4.2 hectares or 57% of the site. The land adjoins properties which are zoned 1(a) Rural (Agricultural Protection) and 2(a) Residential. The land is proposed to be rezoned to partly RU1 Primary Production and R2 Low Density Residential under Draft Gunnedah LEP 2011. If gazetted, the draft LEP would impose a minimum lot size of 650m² with a floor space ratio of 0.5:1 within the R2 zoned land.

The site is not affected by flooding or constrained by native vegetation. The site is however affected by road noise generated from its frontage to the Oxley Highway and noise from adjoining agricultural activities.

5.2 North Gunnedah Site

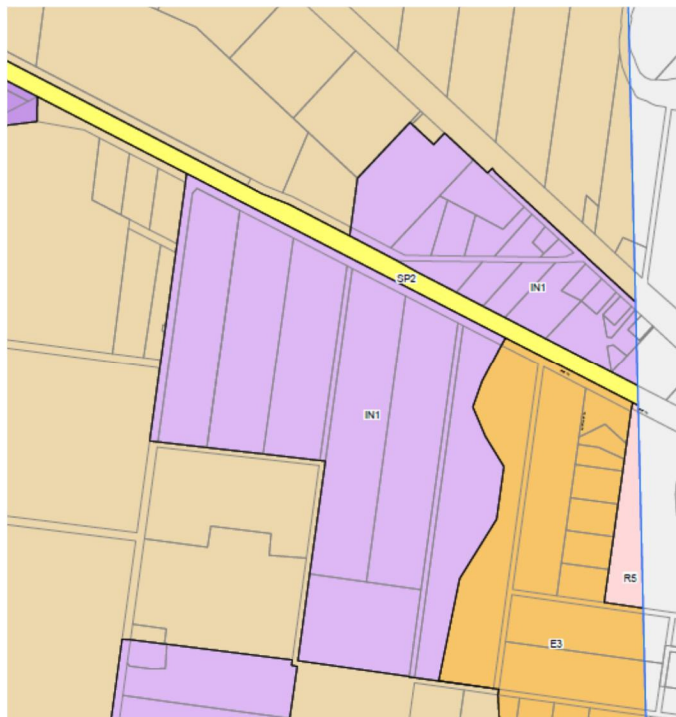
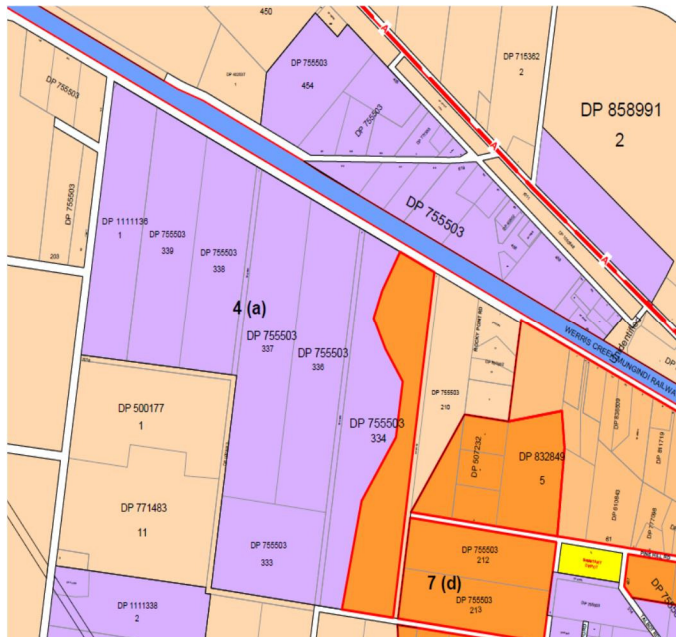
The North Gunnedah site is centred around land fronting Quia Road/ Torrens Road and Blackjack Road (Old Abbatoir) respectively.

5.2.1 Quia Road/ Torrens Road

The Quia Road/ Torrens Road land, located between the railway line and Kamilaroi Highway (see Figure 5-4), has been identified for industrial purposes for over a decade but limited industrial development has occurred in this time. Those industries which have established in this area include timber saleyards, scrap metal recyclers, auto dismantlers and storage yards. The area supports a large number of dwellings and quite a few of the landholdings appear to be used as large defacto rural-residential properties. The further intensification of industrial development of the land is constrained by the limited services, particularly reticulated sewerage in the area.



Figure 5-4 North Gunnedah (Quia Road/ Torrens Road) Aerial



5.2.2 Blackjack Road (Old Abattoir)

The Blackjack Road site is described as Lot 333, 334, 336-339 DP 755503, Lot 1 DP 1111136 and Lots 1-2 DP 120946 and is located on the corner of Quia and Blackjack Roads, Gunnedah (see Figure 5-3). The site was previously used as an abattoir and the derelict remnants of the abattoir still exist today. The owner of the site is North West Projects (NSW) Pty Ltd.



Figure 5-7 North Gunnedah (Old Abattoir) Site Aerial

The Blackjack Road site has recently been granted development consent for a proposed industrial subdivision. The subdivision will facilitate the creation of 90 new industrial lots, 4200 metres of new road and approximately 12.4 hectares of drainage reserve incorporating stormwater detention basins and overland flow paths. Up to 18.7 hectares of land will be dedicated as open space along the eastern boundary of the site for environmental and scenic protection purposes. Each of the proposed industrial lots created will be provided with all necessary services and infrastructure to allow future development of the lots.

In regard to servicing, a sewer pump station will be required for the proposed development and upgrading of the treatment plant will be required after the initial stage of the development.

5.3 West Gunnedah Site

The West Gunnedah site is centred around Farrar Road, Borthistle Road, Martin Road, Bennett Road and Alford Road. An aerial photo of the land and its surrounds are shown in Figure 5-8. The existing LEP zoning is shown in Figure 5-9, whilst Figure 5-10 shows the proposed LEP zoning.



Figure 5-8 West Gunnedah Aerial

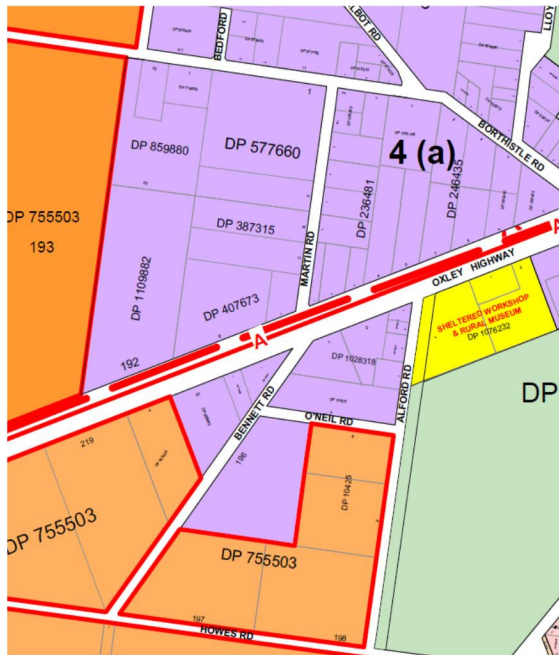


Figure 5-9 West Gunnedah Site Existing LEP Zones

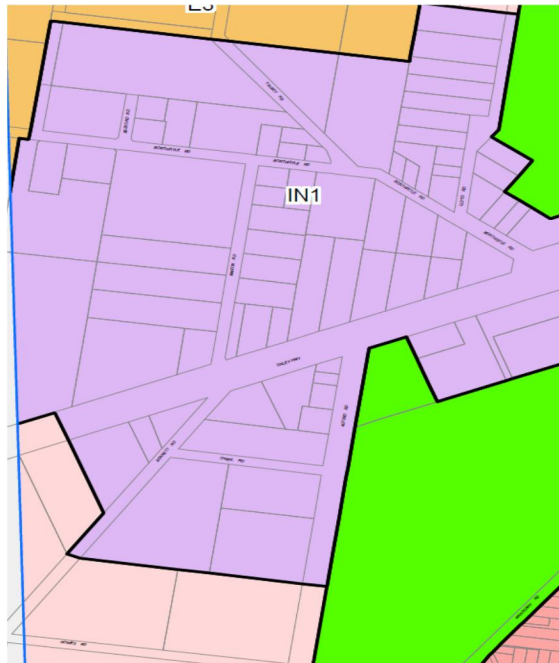


Figure 5-10 West Gunnedah Site Proposed LEP Zones

Activities in the West Gunnedah site predominantly comprise farm equipment, transport and logistics and trade services. Council's depot is located on Bennett Road. Industrial sites in this cluster are relatively large and the only area of unoccupied industrial land is located to the west of Martin Road. Some of this land has topographic constraints in the form of a slope greater than five per cent across the land. This land also has poor site visibility from the Oxley Highway.



Daracon are proposing the subdivision of the most western industrial zoned land north of the Oxley Highway. It is proposed that this subdivision would cater for a range of light industrial uses with a central access road and culminating in a cul-de-sac at the northern extent of the land.

Additional industrial land has been identified within Council's draft LEP on Alford Road. This is land is generally free from any significant environmental or topographical constraints.

6. Servicing Analysis

6.1 Gunnedah Water Supply Source

Council currently source bulk water from borefields to the north of the town. Bore pumps transfer this water to the bulk service reservoirs in the town to supply water to the township. Council have indicated that the bore pumps comfortably meet the peak demand needs of Gunnedah at the moment but are unsure how much extra capacity they have for increased demand. Council is attempting to address these issues through the implementation of a new Developer Services Plan which was recently placed on public exhibition.

6.2 Gunnedah Water Supply System

The existing water supply system in the vicinity of the North and West Gunnedah sites is part of the pressure zone that is supplied by the Links Road (1 and 2) and Apex reservoirs. This pressure zone generally supplies properties between RL 260m AHD and RL 306m AHD. This covers the range of elevations over the North and West Gunnedah sites, therefore future lots should be able to be connected to the water supply service. An existing DN250 watermain runs along Ross Road to supply the North Gunnedah site. From this point the watermain reduces to DN200 and proceeds west along Quia Road to supply other industries further to the west of Gunnedah. A second link is provided to this area by a DN100/150 watermain further to the north.

Council have indicated that due to the significant amount of projected development in this part of Gunnedah, the following water supply assets are likely to be constructed by Council:

- DN150 'loop' watermain along Black Jack Road (from the end of the DN200 watermain to the Oxley Highway) and a DN100 'loop' watermain along the Oxley Highway (from Black Jack Road to the existing industrial area); and
- DN250/300 watermains to connect the 'loop' main and existing water supply system to the proposed 4ML reservoir on the hill to the southeast of the North Gunnedah (Old Abattoir) site (to be constructed at a similar level to the Link Road and Apex Reservoirs).

Council propose to revise their developer charges in order to recover the cost of these works that are to service future development.

6.3 Required Water Supply Infrastructure

The existing water supply system (along with the proposed Council funded water mains and reservoir) will be able to service proposed development at the North and West Gunnedah sites.

The minimum reticulation water main size for industrial subdivisions is DN150. It is envisaged that larger diameter (DN200) water mains will be required for security of supply connections to the following water mains:

- The existing DN250 water main in Farrar Road;
- The proposed DN200 'loop' water main in Black Jack Road; and
- The proposed DN250 water main near the proposed reservoir (to the south of the North Gunnedah (Old Abattoir) site).

The emergency storage volume for a 4 hour failure, during peak day demand and prior to the scheduled construction of the proposed 4ML reservoir (i.e. based on Stage 3 of the Old Abattoir site only) is 0.2ML. It is expected that the existing system can accommodate this volume. This volume equates to approximately 0.12m depth in the larger of the Link Road reservoirs. Previous investigations by GHD of the Gunnedah water supply system indicated that the Link Road 2 Reservoir decreased to 35% (or to a depth of 2.14m) during peak day demand after 8 hours of the DN400 lead in main from the borefields breaking and its subsequent repair. The inclusion of the North Gunnedah (Old Abattoir) site (Stage 3 only) is estimated to reduce the depth in the reservoir to 2.02m or a capacity of 33%.

The emergency storage volume required for ultimate development of the North Gunnedah (Old Abattoir) site at the completion of Stage 5 is estimated to be 0.6ML. Based on the above, 0.4ML of emergency storage is required from either the existing reservoirs or the proposed 4ML reservoir for the North Gunnedah (Old Abattoir) site alone.

6.4 Gunnedah Sewerage Treatment Plant

The Gunnedah Sewerage Treatment Plant (STP) is operating as follows:

- Currently running at approximately 8,500 – 9,000 Equivalent Population (EP);
- Current capacity is approximately 11,000 EP;
- EP:ET ratio of 2 is adopted for Gunnedah;
- Spare capacity is therefore approximately 1,000 ET;
- With current development trends, this spare capacity is likely to be taken within 3 to 4 years by significant developments;
- As the plant effluent output quality is higher than required, Council may be able to modify the plant without a significant upgrade to increase the capacity; and
- Council will be undertaking a plant capacity review and loadings review, to determine the required capacity for the next plant upgrade. The cost of the upgrade would be recovered in the soon to be revised developer charges.

6.5 Gunnedah Sewerage System

Recent investigations into the Gunnedah sewerage system reveals:

- The sewerage system is currently remote from the North Gunnedah (Old Abattoir) site; and
- The DN750 gravity sewer main that leads directly to the inlet works at the Gunnedah STP has approximately 850 ET spare capacity excluding the loadings from the North and West Gunnedah sites and the residential development sites around Gunnedah.

6.6 Required Sewerage System Infrastructure

6.6.1 General

Due to the limitations described in Section 6.5, the existing sewerage system will not be able to service future development of the North and West Gunnedah sites. The topography of the North Gunnedah (Old Abattoir) site indicates that it could drain by gravity to a single sewage pumping station (SPS) situated

near the existing detention pond at the intersection of Quia Road and Ross Road. A sewer rising main would be required to pump the flow to the high point along the route to the STP, with a gravity sewer main from this point to the Gunnedah STP inlet works. The determination of sizing, and possible staging, of the works would require a detailed sewerage servicing strategy to be undertaken. Council has sought funding through from Department of Trade and Investment to assist in forward funding this infrastructure with recoupment of the total costs via a Section 94 contributions plan (to be prepared by Council) or modification to the exhibited Developer Services Plan.

6.7 Road Network

The road network (Blackjack Road, Quia/Ross Road) in the west Gunnedah area presents as typical rural roads, providing sealed carriageways with centreline markings and gravel shoulders into table drains, with 60/80 km/hr speed limits. It has been indicated by Council and the RTA that sealed shoulders and a painted edge line should be provided.

A traffic report and traffic management scheme produced by TPK and Associates as part of the North Gunnedah (Old Abattoir) site subdivision provides an assessment of the likely traffic generation that could be expected from the proposed development and makes recommendations in relation to intersection improvements potentially impacted by the development. These recommendations have been supported by Council in the approval of the DA. The recommended upgrades to the relevant intersections are shown in Figure 6-1.

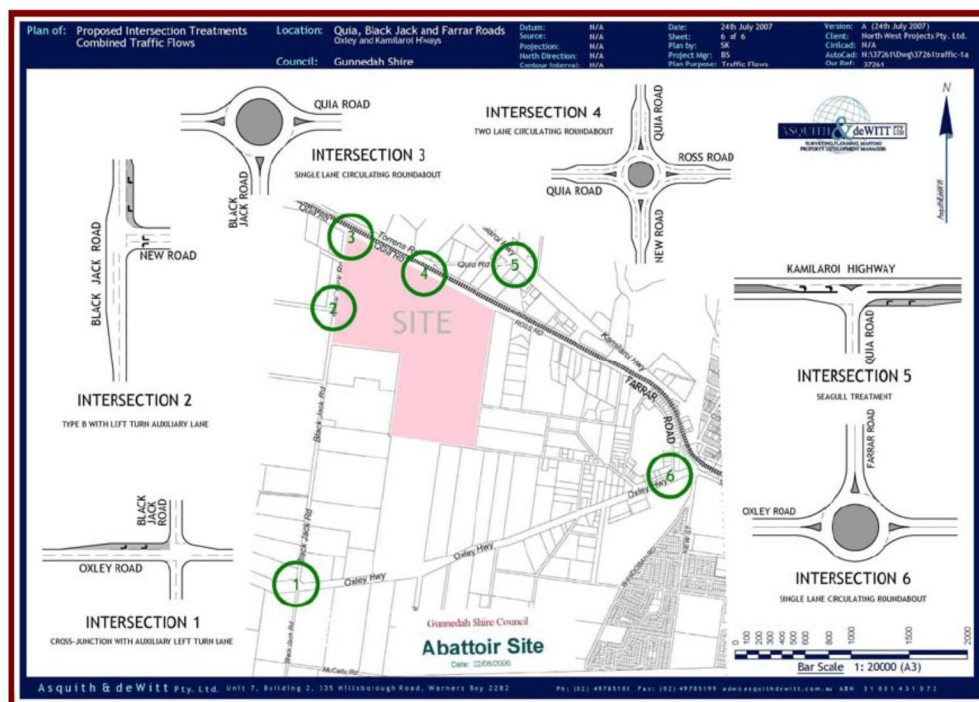


Figure 6-1 Recommended Intersection Upgrades

The report indicates that there are a number of other development proposals that will impact on the road network. It is our understanding Council will determine in consultation with other stakeholders an appropriate implementation strategy for the road network improvements.

6.8 Implications for Subject Sites

6.8.1 East Gunnedah Site

Council records indicate that the East Gunnedah site can be adequately serviced with reticulated water and sewer, telecommunications and electricity.

6.8.2 North and West Gunnedah Sites

Water: In the vicinity of the subject lands the water supply system is part of the pressure zone supplied by Links Road (1 and 2) and Apex reservoirs. An existing DN250 water main runs along Ross Road, reducing to DN 200 along Quia Road. The critical issue for additional system capacity is the construction of Gunnedah Shire Council funded water mains and reservoirs. Council is attempting to address these issues through the implementation of a new Developer Services Plan which was considered by Council on 5 October 2011.

Sewer: The Gunnedah Sewerage Treatment Plant (STP) currently runs at approximately 9,000 equivalent population (EP), with current capacity being 11,000 EP. The proposed North Gunnedah (Old Abattoir) site subdivision on Blackjack Road will necessitate the upgrading of the treatment plant although there will be some capacity to accommodate the initial stages of the development. No sewage system currently exists on the site and it will be necessary to provide a pump station and new transportation system including a rising main and gravity sewer, to allow waste from the site to be transferred to the STP. A key issue will be the timing of the STP upgrade and determination of the associated developer service charges that will be applicable. As previously discussed, Council is attempting to address this issue through funding from Department of Trade and Investment and the implementation of a new Developer Services Plan which was considered by Council on 5 October 2011.

Electricity: Previous enquiries with Essential Energy revealed that their network, in vicinity of the North and West Gunnedah sites, had spare capacity. Although upgrading of the electricity supply network will be required to accommodate any future development when demand exceeds the existing spare capacity.

Gas: Central Ranges Pipeline (CRP) owns the gas network in the region, and have built a gas pipeline from Dubbo to Tamworth. While gas is not currently available to Gunnedah, CRP has advised that they are interested in supplying gas to the area once adequate demand is present. As evidence of this, CRP has already secured the necessary land and approvals to extend this service from Breeza (closest point of connection) to Gunnedah.

7. Planning Principles

7.1 Selection Criteria for Suitable Locations for Commercial Development

Commercial development is an important component of the structure of any town and plays a key role in providing goods and services, employment and a cultural focus for the community.

Planning for retail and commercial land supply requires a balanced, holistic and strategic view of a range of issues. Selecting suitable locations for retail and commercial development must consider the following:

- ▶ Developments that provide concentrated employment opportunities or generate significant community patronage should be located within the commercial centres. Out-of-centre development is inconsistent with this intent. It can diminish town vitality and detract from economic growth by diluting public and private investment in centre related activities, facilities and infrastructure;
- ▶ An assessment of the existing zoned commercial land that is currently not being used for commercial purposes;
- ▶ The locations of major attractors in the town centre needs to be encouraged as new investment will assist in upgrading facilities, and to encourage high quality design and amenity improvement;
- ▶ The need to achieve a compact CBD;
- ▶ The need to provide commercial focus and contiguity to the prime retail street;
- ▶ Encouraging economic vitality through increased linkages;
- ▶ The location of additional floor space must ensure the commercial areas are not disjointed and lack cohesion; and
- ▶ New bulky goods development should be confined to business zoned lands which help ensure centre vitality, viability and sustainability of existing centres and not allow the encroachment of more business oriented land uses into industrial zoned land.

Council's current planning document, LEP 1998 and the publicly exhibited draft LEP 2011, reflect and enshrine the above planning principles and will act to protect the integrity and contiguity of the town centre.

8. Discussion

8.1 East Gunnedah Site

Consideration has been given to the proposed rezoning of East Gunnedah site in relation to Council's strategic documents regarding the supply and demand for retail and commercial development within the Gunnedah Shire.

The land use survey undertaken across the 3(a) and 3(b) zones indicates that of the 31 hectares of land zoned 3(a) under the Gunnedah LEP 1998, at least 7.4ha would be available for retail and commercial development or redevelopment. The survey also found that of the 21.6ha of land zoned 3(b) under the Gunnedah LEP 1998, approximately 11.25ha would be available for retail and commercial development or redevelopment.

Based on the low, medium and high population projections, it is forecast that the Gunnedah Shire will require an additional 5,380 m² to 8,740 m² of retail and commercial office floorspace by 2031. This equates to an average of approximately 270 m² to 440 m² per annum respectively.

The review of the *2008 Gunnedah Commercial and Industrial Land Use Strategy* and the results of the revised supply and demand analysis therefore reveals that whilst there has been interest in retail and commercial land in Gunnedah since 2008 in the form of sales, commercial additions and alterations and changes of use, there is still sufficient supply within the existing 3(a) and 3(b) zones (and proposed zones under the draft Gunnedah LEP 2011) to accommodate the anticipated demand for commercial and retail development to 2031.

Whilst it is acknowledged that the current fragmentation of the 3(b) zone is a deterrent to the development of bulky goods development in the town, initiatives identified in the *2008 Gunnedah Commercial and Industrial Land Use Strategy*, once implemented, will act to encourage the consolidation and subsequent development of those lots for bulky goods uses.

It is noted that the site has been identified for residential purposes and any rezoning of the land for non-residential purposes would result in the loss of 4.2ha or approximately 42 dwelling sites (assuming a standard density of 10 lots per hectare). While the loss of this residential land is unlikely to have a significant impact on the future supply of residential land in Gunnedah, given the land currently zoned residential under the existing and draft LEPs, it would limit the locational choice available for future homebuyers in close proximity to the town centre.

Any extension of the business zones either through the planning proposal or subsequent amendments to the draft Gunnedah LEP 2011 must take into account the importance of the planning principles identified in Section 7 of this report.

The planning proposal, as presented, including the development of a motor showroom and vehicle sales yard, is therefore not considered to be consistent with the strategic direction outlined in the *Gunnedah 2008 Commercial and Industrial Land Use Strategy* nor the planning principles identified in Section 7 of this report and as such support for the proposal would be considered poor planning practice. It is therefore recommended that Council not support the planning proposal in its current form. As to whether the site has the potential for any non-residential uses, further investigations would be required in consultation with Council and DOP&I.

8.2 North and West Gunnedah Sites

The main issues surrounding the future development of the North and West Gunnedah sites relate to servicing. Council are committed to facilitating and encouraging the development of these employment lands in an effort to promote Gunnedah as a great place to work and live. The following issues need to be investigated further to encourage the future development of the North and West Gunnedah sites:

8.2.1 Proposed Water Supply Infrastructure

In the vicinity of the sites, the water supply system is part of the pressure zone supplied by Links Road (1 and 2) and Apex reservoirs. The critical issue for additional system capacity is the construction of Council funded water mains and reservoirs. The proposed 4ML reservoir on the hill to the southeast of the North Gunnedah (Old Abattoir) site (to be constructed at a similar level to the Link Road and Apex Reservoirs) and associated mains will be required to facilitate future industrial development. Council is attempting to address these issues through funding from the Department of Trade and Investment and through the implementation of a new Developer Services Plan which was considered by Council on 5 October 2011.

8.2.2 Sewerage Pump Station and Rising Main

Due to the need to expedite development and the approximate 1km length proposed for the rising main, duplication of the rising main is unlikely to be economical. Therefore, a rising main that can service the range of desired staged sewerage pump station capacities is required. A DN250 rising main in this application would only allow flows between 50 and 120 L/s whereas a DN300 rising main would allow flows from 75 to 190 L/s. Due to the uncertainty of the flows, a DN300 rising main would best suit this application.

8.2.3 Gravity Sewer Main to STP

Due to the need to expedite development and the approximate 900m length, duplication of the proposed gravity sewer main (from the possible SPS rising main discharge point to the Gunnedah STP inlet works) is unlikely to be economical. The maximum grade along the gravity sewer main route is approximately 1.1%. A DN375 gravity sewer main on this grade would only have capacity for approximately 120 L/s. A DN450 gravity sewer main would have sufficient capacity for flows in excess of 280 L/s and would best suit this application.

8.2.4 Gunnedah STP Upgrade

At ultimate development, the North Gunnedah (Old Abattoir) site will contribute 2,249 ET, equivalent to 4,498 EP to the STP. The STP future upgrade will need to cater for these additional EP as well as those from other future residential/ industrial developments.

The potential for funding through grant monies from the Department of Trade and Investment presents an opportunity to forward fund the proposed sewer pump station and associated rising main along Quia Road and the Kamilaroi Highway. This could then be levied through either a Section 94 Contributions Plan or modification to the exhibited Developer Services Plan.

9. Recommendations

9.1 East Gunnedah Site

The following recommendations are provided for the East Gunnedah site:

- ▶ The site is not considered to be appropriate for general commercial/ retail purposes;
- ▶ Council to take a watching brief of the initiatives identified in the *2008 Gunnedah Commercial and Industrial Strategy* to ensure opportunities for redevelopment of existing zoned commercial land occurs within a reasonable timeframe; and
- ▶ If opportunities for redevelopment do not occur Council consider, amongst other things, a levy on existing commercially zoned land to encourage consolidation of the land.

9.2 North and West Gunnedah Sites

The following recommendations are provided for the North and West Gunnedah sites:

- ▶ Ensure the required water and sewerage infrastructure is identified in the Developer Services Plans currently on exhibition;
- ▶ Council to continue to seek out the opportunities for funding water and sewerage infrastructure from the NSW Department of Trade and Investment;
- ▶ Consider forward funding the required water and sewerage infrastructure through Council's general revenue if NSW Department of Trade and Investment funding is not forthcoming; and
- ▶ Develop Section 94 contributions plan in order to recoup monies spent on the identified water and sewerage infrastructure.

10. References

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- 2. may only be used and relied on by Gunnedah Shire Council;*
- 3. must not be copied to, used by, or relied on by any person other than Gunnedah Shire Council without the prior written consent of GHD;*
- 4. may only be used for the purpose of [insert the purpose] (and must not be used for any other purpose).*

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The services undertaken by GHD in connection with preparing this Report:

- were limited to those specifically detailed in section 1.2 of this Report;*
- did not include detailed environmental analysis of the investigation sites, detailed servicing analysis of the investigation sites.*

The opinions, conclusions and any recommendations in this Report are based on assumptions made by GHD when undertaking services and preparing the Report ("Assumptions"), including (but not limited to):

- advice from Council staff;*
- advice from real estate industry professionals;*
- Council GIS data; and*
- ABS data.*

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Appendix A

Land Use Surveys for 3(a) and 3(b) zones





Total Areas Zone 3B (m2)
DC - 29125
DH - 99874
DP - 1803
DR - 72556
V - 12508
Total Area - 215866

Total Area - 215866

1:4,000 Paper Size A3
20 40 80 120 160
Meters
Map Projection: Transverse Mercator
Horizontal Datum: GDA 1994
Grid: GDA 1994 MGA Zone 56

LEGEND

Business 3B Z

DC -

DH -

Legend:

- Developed Commercial
- Developed Housing
- DP - Developed Public Purpose
- DR - Developed Retail
- V - Vacant
- Cadastre
- Roads



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Gunnedah Shire Council
Gunnedah Satellite Development Strategy

**Gunnedah Town Centre
3B Business Zone Landuse**

Figure 5

[illegible]

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		Name	Signature	Name	Signature	Date
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