

Addendum to the *Rural Settlement Project*

Relating to Zone R5 Large Lot Residential Lands around Grenfell

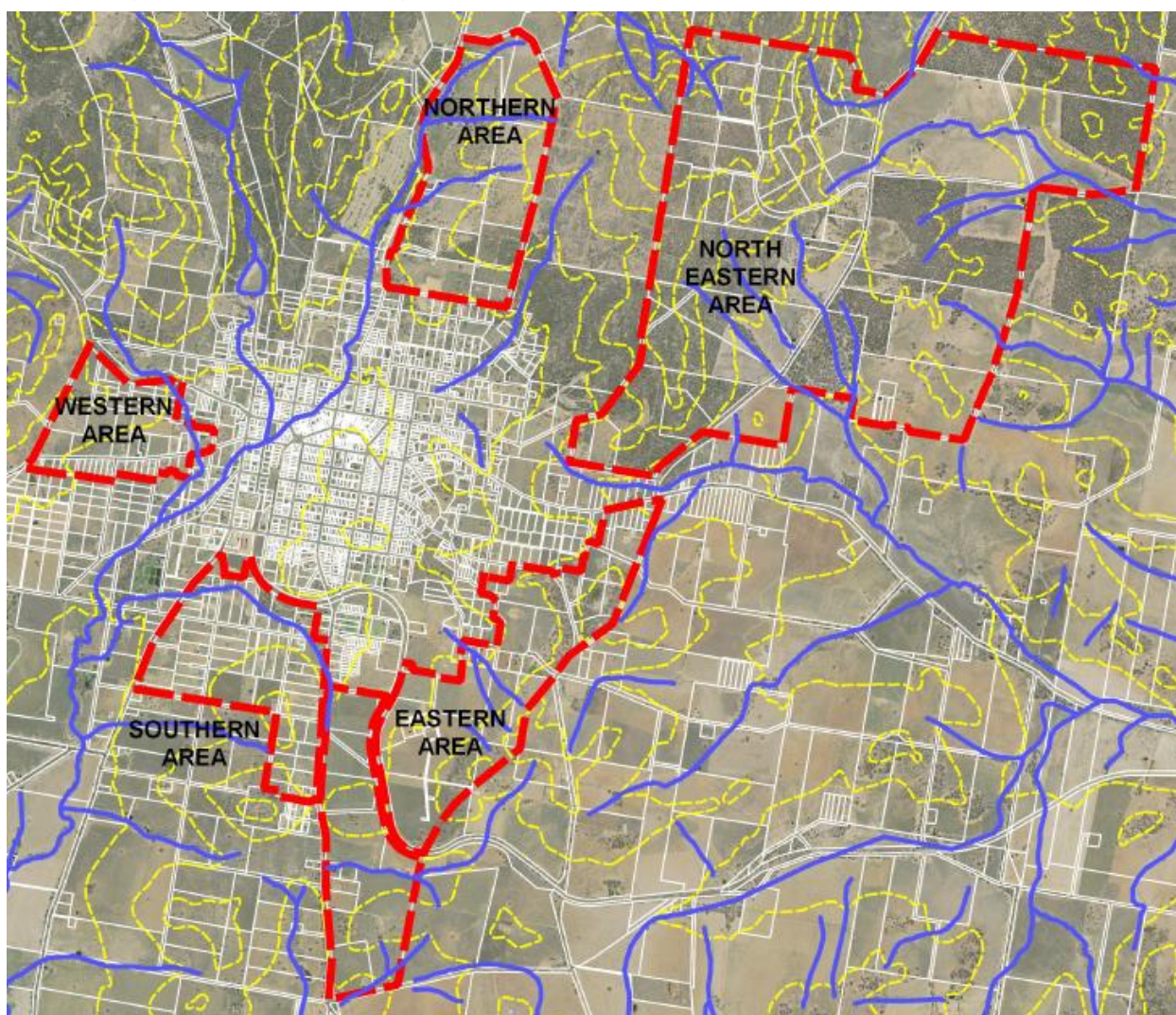


Figure 1: Location of Existing Zone R5 Large Lot Residential Land around the Town of Grenfell

Prepared on behalf of Weddin Shire Council for submission to the
NSW Department of Planning & Environment

8 May 2016

Version B

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Document Control

Date	Version	Purpose	Recipients
18 April 2016	A	Draft for Internal Discussion	Brendan Hayes – Weddin Shire Council
8 May 2016	B	Final to Council for Resolution (along with Planning Proposal)	Brendan Hayes – Weddin Shire Council

1. INTRODUCTION

1.1. Aim of Report

The *Rural Settlement Project* ('Project') was prepared in 2011/2012 and adopted by Council. It was previously submitted to the NSW Department of Planning & Environment ('DPE') but is not yet endorsed. The Project provided land use strategies for most of the major land uses in Weddin Shire. Four to five years have passed since that Project was prepared and it is appropriate to update the Project to ensure it reflects the desired future land use outcomes of the community and recent development supply/demand.

This is an Addendum or Update to the *Rural Settlement Project* – particularly those sections that relate to the large lot residential component of that study including:

- a) Part 2 – Supply and Demand Analysis (particularly Chapters 8-12);
- b) Part 3 – Constraints and Opportunities Analysis for Large Lot Residential (Zone R5) and Village (Zone RU5) Lands (particularly Chapters 3, 4.5-4.7, and 6.2).

As such it will reference aspects of the Project that are still relevant and should be read alongside the Project and its relevant chapters. The constraints in these areas have not substantially changed.

This Addendum makes a number of recommendations for potential amendments to the existing planning controls for Zone R5 Large Lot Residential lands around the Town of Grenfell.

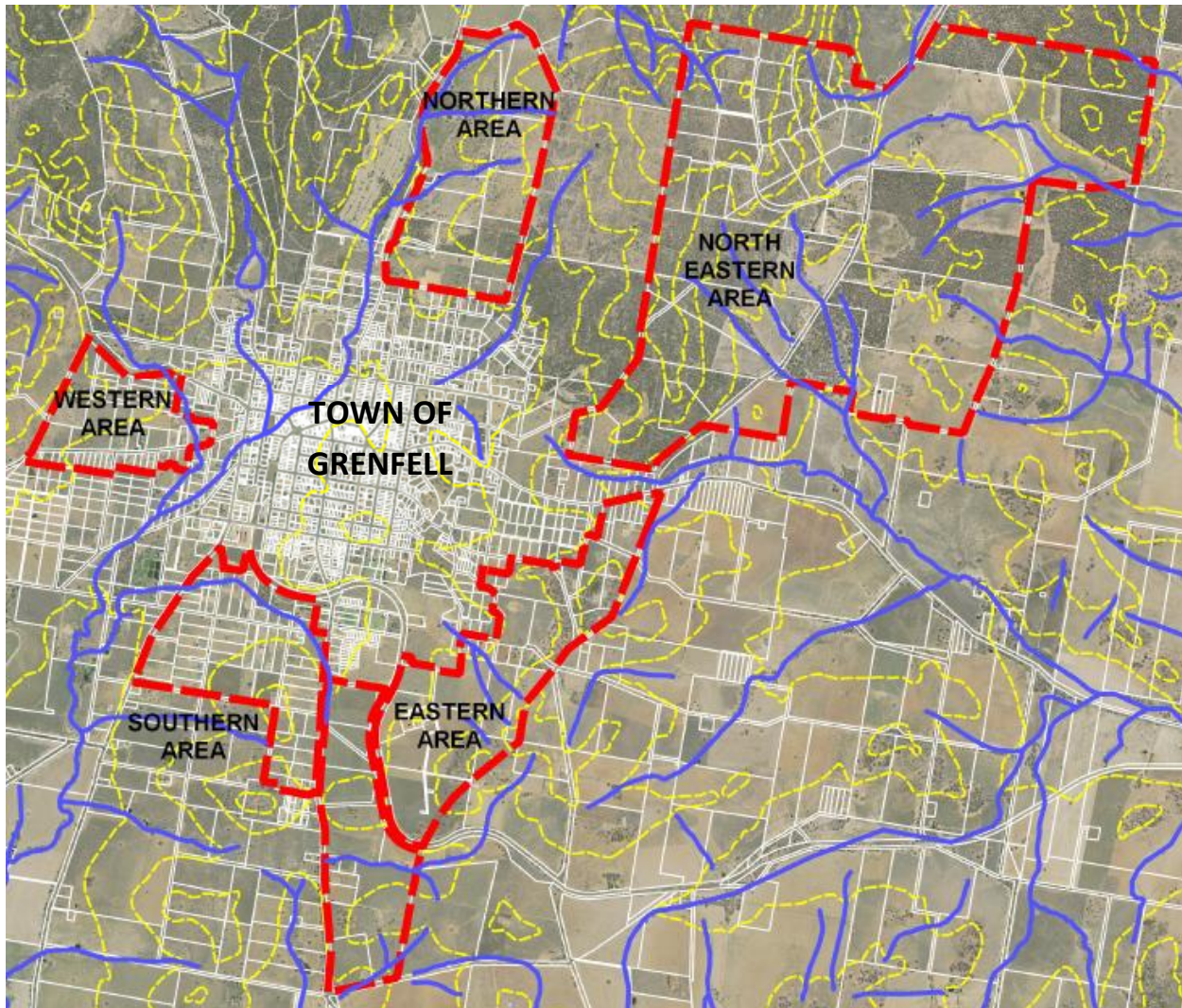


Figure 2: Location of Existing Zone R5 Large Lot Residential Land around the Town of Grenfell

1.2. Study Area

All of the Shire's large lot residential areas are located around the Town of Grenfell and under *Weddin Local Environmental Plan 2011* ('LEP2011') are generally included in Zone R5 Large Lot Residential.

There are five (5) main areas referred to in this report including:

- Northern Area** – located to the east of Gooloogong Road;
- North Eastern Area** – known as 'Adelargo Heights' accessed from Adelargo Road;
- Eastern Area** – south of Mid Western Highway around to Henry Lawson Way;
- Southern Area** – between Henry Lawson Way and Mary Gilmore Way;
- Western Area** – between Manganese Road and the Mid Western Highway.

1.3. Recommended Planning Control Amendments (Summary)

The key recommended changes to existing planning controls in this report relate primarily to the Northern, North-Eastern, Eastern and Southern R5 Areas. The Western Area is only dealt with in summary as no changes are proposed.

These recommendations should be read alongside the attached MAPS for each AREA that illustrate the recommended zoning and minimum lot size for each area overlaid on the key opportunities and constraints that have guided these recommendations.

NOTE: Existing vacant lots below the Minimum Lot Size will still be able to apply for development consent to construct a dwelling. The Minimum Lot Size only affects future subdivision.

Study Area	Key Recommendations / Planning Control Amendments
Northern Area	Retain this area in Zone R5 Large Lot Residential. Due to a number of site constraints and limited take-up of this area for new dwellings we recommend increasing the Minimum Lot Size for Subdivision from 5 hectares to 10 hectares.
North-Eastern Area	Retain the majority of this area in Zone R5 Large Lot Residential but remove lots that have nearly 100% vegetation coverage and high bushfire risk with limited dwelling potential. Due to a number of site constraints and limited take-up of parts of this area for new dwellings we recommend increasing the Minimum Lot Size for Subdivision from 5 hectares to 10 hectares.
Eastern Area	Retain the majority of this area in Zone R5 Large Lot Residential. Rectify all split zoned land (a minor increase in additional R5 zoned land). In areas where there are less constraints and suitable access reduce the Minimum Lot Size for Subdivision from 10 hectares to either 1 or 2 hectares (as shown on the map). Highlight future investigation areas within the Eastern R5 area that may be considered for a further reduction in MLS to 1 or 2 hectares when there is sufficient take-up of the areas with reduced MLS.
Southern Area	The existing area should be retained in Zone R5 Large Lot Residential (except for removal of cemetery land and split zoned land). Retain the existing Minimum Lot Size of 4000m ² in the existing area (though the majority of lots created are 1-2 hectares in size). Due to demand for large lot residential to the south of Grenfell and the limited site constraints we recommend extending the existing Southern Area to the south (rezoning ~75 hectares of existing Zone RU1 Primary Production land that is highly fragmented) with a Minimum Lot Size of 2 hectares. This Study also highlights a future investigation area further to the south of the proposed rezoning area that may be considered for future rezoning to R5 when there is sufficient take-up of the new Southern rezoned area.
Western Area	Retain this area in Zone R5 Large Lot Residential. Retain the existing Minimum Lot Size of 4000m ² . No change to existing LEP controls.

1.4. Supply & Demand (Updated Summary)

This Section provides an overview of the supply/demand of large lot residential demand as estimated by the Residential Settlement Project (2012) compared to this updated Addendum / Study.

1.4.1. Residential Settlement Project (2012)

The following table summarises the findings of the Project both without constraints (Part 2) and with constraints (after Part 3):

AREA	Total Lots (2011-12)	Owners (2011-12)	Dwellings (2011-12)	Vacant Lots (2011-12)	Existing MLS	Est. Addit. Dwellings No Constraints	Est. Add. Dwellings With Constraints
Northern Area	14	6	3	11	5ha	25	25
North-Eastern Area	53	44	14	39	5ha	120	48
Eastern Area	64 (+ 4 part lots)	21	13	51 (+ 4 part lots)	10ha	*15	15
Southern Area	59	42	**33	26	0.4ha	30	30
Western Area	51	18	**14	37	0.4ha	54	54
TOTAL	240 (+4 part lots)	131	77	164 (excl. part lots)	--	244	172

** Note: It is not clear why existing lots in the Eastern Area smaller than the MLS were not counted towards potential additional dwellings if they could support on-site effluent management.*

*** Note: In the Table in Section 9 page 34 'Summary of existing dwellings and potential dwelling sites – R5 zones' – it would appear that the dwelling numbers have been accidentally swapped between the Southern and Western Areas.*

The estimate of demand was taken from 24 dwelling approvals (Construction Certificate) from 2000 to 2011 (12 years) at an average of 2 dwellings per year.

1.4.2. Findings of this Study (2016)

The following table summarises the findings of this Addendum / Study (red areas are amended from the Project table above). It is important to note that the potential dwelling sites DO include an estimate of the impacts of constraints on yield.

AREA	Total Lots	Owners (2012)	Existing Buildings	Vacant Lots	Proposed MLS	Hist. Dw. Approvals	Est. Additional Dwellings
Northern Area	14	6	3	11	10ha	Low	5
North-Eastern Area	53	44	20-22	31-33	10ha	~2/year	31-33
Eastern Area	51 (+ 4 part lots)	~25	18	33 (+ 4 part lots)	1/2/10ha	~1/year	32-45
Southern Area 1 (Existing)	64 (+1 part lot)	58-60	41	23 (+1 part lot)	0.4ha	~2/year	*9
Southern Area 2 (Proposed)	14	5	4	10	2ha	N/A	6-8
Western Area	53	10-20	16	37	0.4ha	Low	*30
TOTAL	249	148-160	102-104	145	--	~4/year	113-130

** Note: Assumptions as to the likely development of potential lots over a 30 year period have been applied to reduce likely yield and are noted in each relevant section below.*

1.4.3. Impact of Addendum / Recommendations

POTENTIAL: Our findings suggest that the original 2012 Project may have over-estimated the potential supply of large lot residential land around Grenfell that was likely to be achieved in the next 20-30 years. Even with constraints the Project estimated a supply of up to 172 new dwelling lots whereas the projected supply from this Addendum (including amended zoned areas / reduced MLS) is 83-130 lots.

- a) The first point of difference was the level of analysis of each Zone R5 area and the likely impact of constraints. In some ways constraints may have been under-estimated or overlooked.
- b) Secondly, the Project did not make any recommendations to better align Minimum Lot Size ('MLS') with site constraints. The contrast between a lower MLS for more heavily constrained in the north-east land versus higher MLS for less constrained land in the east indicates a historic anomaly that was potentially not considered due to a narrower scope.
- c) Another substantial point of difference is the methodology used in this Addendum to determine potential yield compared to the Project. The Project estimated total potential yield from the maximum potential subdivision of all of the land. However, our experience is that over a 20-30 year period only a limited percentage of all potential zoned land would be developed or made available for development due to personal and financial considerations and these assumptions have been highlighted in each stage of this Study. For example, existing subdivided land with different owners has a higher chance of development than large undeveloped lots (particularly when this land is used for agriculture with adjacent larger holdings).

We do not dispute the findings of the Project that the preference for development has clearly been for 'strip' based development along existing roads. However, whilst development costs of new roads and services may be prohibitive in some areas, a smaller lot size may make the development of new internal roads and services more viable (where there are less environmental constraints). Also, proposed amendments to the zoning boundaries may increase interface with existing roads and thereby make it easier to develop these lands.

DEMAND/SUPPLY: We also query whether the demand assessment in the Project provided a sufficient range of growth. Since the Project we have seen construction of dwellings at a rate of up to 4 dwellings per year, nearly double the projections in the Project. This may be a recent 'spurt' of growth but as Grenfell improves its medical and other services it is likely centres like Grenfell will attract new development compared to smaller regional villages, contrary to the towns long term population growth projections.

The estimated potential of 83-130 lots (with the recommended planning control changes) in the next 30 years at a demand of 4 dwellings per year produces a potential supply of 20-30 years. This is an appropriate supply for the area around Grenfell and NOT an over-supply as suggested in the Project.

1.4.4. Future Investigation Areas

This Addendum has provided some 'Future Investigation Areas' for future additional development potential. These areas should not be considered until the adjacent Zone R5 areas have reached a dwelling development / take-up of at least ~60%.

Future Investigation Areas take two (2) forms:

- a) Potential to review the MLS of existing Zone R5 lands to reduce the existing MLS and increase development potential – particularly in the southern sections of the Eastern Zone R5 Area; and
- b) Potentially expanding the R5 Zone to include existing adjacent Zone RU1 Primary Production land that is highly fragmented – particularly to the south of the Southern R5 Area between Henry Lawson Way and Mary Gilmore Way as far potentially as Thompsons Lane and also to the south of the Western R5 Area.

1.5. Process Overview

The intention is that this Draft Addendum is accepted by resolution of Council and forwarded to the Department of Planning & Environment along with any Planning Proposal(s) that seek to implement the planning control amendments recommended in this Addendum.

If a successful Gateway Determination is made on the Planning Proposals then the Draft Addendum would be publicly exhibited alongside the Planning Proposal(s) and then (subject to amendment) adopted formally as a land use strategy by Council supporting the recommended amendments to LEP2011 and endorsed by the Department.

1.6. Assumptions & Limitations to this Report

The following are key assumptions and/or limitations to this report:

- a) **Addendum:** This Study is an 'Addendum' or updated of previous studies for large lot residential land uses in and around Grenfell. In this way it has not adopted the standard strategic planning methodology of preparing a Local Profile (demographics and growth opportunities); Issues Paper; and Final Strategy with key Development Principles. The scope has been limited to a review or update of the previous Project only with some recommendations as to how it could be amended to better manage supply/demand.
- b) **Scope of Study:** This Report does not review the supply or demand for large lot residential or defacto 'lifestyle lots':
 - i) Outside the Shire in surrounding Local Government Areas or at a sub-regional level;
 - ii) Resulting from existing holdings, concessional lots or historic subdivision patterns in rural areas;
 - iii) Resulting from larger lots in Grenfell or other villages that may meet a similar market demand.
- c) **Growth Projections:** This Addendum does not provide a detailed analysis of changes in population or growth projections in the Project but does comment on projected rates of new dwellings resulting from growth.
- d) **Information:** The Study is based on information provided by Council (including GIS data) and a brief site visit. GIS data has not been verified as up-to-date or ground-proofed. No detailed environmental, economic or social studies are known to be available to verify some of the assumptions in this report.
- e) **Development Costs:** There has been no specific consideration of the cost of creating new or upgraded access to land or extending and augmenting utilities to service land. However, this Study does recognise the role that these costs play in facilitating or constraining development outcomes.
- f) **Environmental Limitations:** The specific biodiversity potential of lands has not been reviewed beyond the existing LEP2011 mapping for sensitive biodiversity. It is noted that only very small areas of vegetated lots are mapped as having sensitive biodiversity even though the potential for wider ecological corridors may be significant – particularly to the north of Grenfell. Only at site specific development stage is it possible to consider more detail on impacts on threatened species and ecological communities.
- g) **Likelihood of Development:** The Study makes several assumptions about the relative likelihood of development of certain land compared to other land. The reasoning for the assumptions is set out in this report but it is not based on empirical evidence and may require further testing.
- h) **Consultation:** This scope for this report did not involve any additional consultation with key stakeholders or land owners. There is the opportunity for consultation during any public exhibition period. Land owners may have more up-to-date or site-specific information about their land potential that was not available to the authors of this Addendum.

Further assumptions or limitations may be included in the specific sections of this Report.

2. GENERAL CONSTRAINTS

Some constraints/opportunities that are considered only in general terms in this study are utilities, heritage, and rail impacts and these issues can be broadly generalised as follows:

2.1. Utilities

As with most other large lot residential areas around Grenfell it is not expected that existing or proposed lots will be fully serviced. The minimum servicing is likely to involve extension of low voltage power to each site, the requirement for a minimum capacity of water tank to collect roof water for potable consumption, and sufficient information to determine that on-site effluent management can occur on each lot. Reticulated sewer is unlikely to be provided to large lot residential lots in the foreseeable future.

Extension and augmentation of utilities is a significant development cost – particularly when these services need to be run longer distances for low densities of development. One of the aims of reviewing lot size is to ensure that there are sufficient densities to support extension of important infrastructure. CTW water lines do exist in some street frontages and are / could potentially be accessed for some large lot residential development. Mains water supply would improve the sustainability of development on some land as it is more reliable than rainfall. However, this is subject to further discussions with CTW and Council's engineers about the viability and headworks charges associated with additional connections.

The key issue for large lot residential lots is generally non-potable consumption such as garden watering that is generally not supported by rainwater capture alone. Lot sizes below 2-5ha may have insufficient catchment for dam supplies.

A resulting response is often to seek bore water supplies but this places pressure on groundwater systems and smaller lots sizes may be incapable of providing sufficient separation between bores and on-site effluent management systems. However, as this is an existing situation in Grenfell and most landowners don't appear to have large water requirements this can be addressed on a site-by-site basis.

2.2. Heritage

In general there are very few listed non-indigenous heritage items in the existing and proposed large lot residential areas. Only the Western Area (Manganese Road) has an item that extends across three lots. However, this is unlikely to significantly constrain development in this area and this lot has been subdivided.

There is potential for items of Aboriginal heritage and the potential generally increases along permanent watercourses and ridgelines. However, most of the existing Zone R5 areas have had a history of development or agricultural use that may reduce the chance of finding intact archaeology in these areas.

There may be a higher potential in areas that have significant vegetation – particularly the north and north-eastern areas as these have been less disturbed. We have not sought specialist advice on Aboriginal heritage or archaeology as part of the scope of this Study. It is perhaps best assessed on a site-by-site basis during the development assessment process.

2.3. Rail Corridor

The existing rail corridor runs adjacent to or through some Zone R5 areas. However, it is not envisaged that this line will ever be reactivated. Therefore, setbacks or buffers to this rail line or issues with crossing this rail line have not been deemed to be significant constraints.

3. NORTHERN AREA (Gooloogong Road)

3.1. Summary of Existing Area

The following Table provides a short summary of the Area:

Location	Located to the north of Grenfell and east of Gooloogong Road.		
Access to Public Rd	Gooloogong Road only		
Area	~155 ha	No. of Existing or Approved Dwellings	3 dwellings (1 just outside)
No. of Lots	~14 lots	No. of Vacant Lots	~11 vacant
No. of Land Owners	6 owners	Lot Size Range	1.98-45.74ha
Minimum Lot Size (LEP2011)	5ha for <u>subdivision</u> under Clause 4.1. An existing lot below this size may still be able to apply for a dwelling.		

3.2. Updated Constraints & Opportunities

Constraints/Opportunities in Part 2 of the Project are still relevant. However, the Project concluded (in Part 3 Section 6.3) that land in this area had good subdivision potential. Additional or supplemented Constraints/ Opportunities that should be recognised include:

3.2.1. Quarries / Landscape Business

There are two (former) gravel quarries in or adjacent to the Northern Area. It is our understanding that Lot 7003 DP1023366 and Lot 575 DP754578 with an area of ~12ha are owned by Council but is not active. Just to the south of the Northern Area is also a quarry that extends in part onto Lot 1192 DP653676. Whilst these quarries may not be fully active they are a mineral resource and as such require some level of protection for future use and expansion. We have not confirmed whether they are identified on Council's Mineral Resource Audit Map (NSW Energy & Resources).

Part 3 page 20 of the Project states that it assumes that the extractive industry will operate within environmental parameters which would not preclude subdivision of adjoining land. No buffer was mentioned in the Project. The standard buffer for quarries where explosives are not used is 500m. A 500m buffer to either of these quarry areas would constrain up to ½ of the southern section of the Northern Area and make it less desirable to increase dwelling potential in this area. There has not been any consultation with stakeholders on the likelihood of these extractive areas continuing or expanding in the future to confirm this analysis.

3.2.2. Solid Waste Landfill

The Grenfell Landfill is located to the north west of the Study Area on the western side of Gooloogong Road. However, a general rule of thumb is to provide a 200m-400m buffer (depending on impacts such as odour and dust) to sensitive residential development. This may constrain development in the north of the Northern Area. This would be subject to a more detailed odour, noise and impact assessment. A 500m buffer is shown on the maps as a likely maximum buffer requirement and affects a significant percentage of Zone R5 land.

3.2.3. Access

Access to a public road in this area is limited to access from the Gooloogong Road. There is no internal road system at this time and all existing dwellings have individual access points to Gooloogong Road. Access is a key issue because of the regional importance of this road link (and likelihood of heavier traffic and larger vehicles), the topography and winding nature of this road frontage, the resulting restrictions to sight-lines, and potential impacts on traffic and road safety from vehicles exiting and entering Gooloogong Road from private properties. We suggest that there are limited points along the

Zone R5 frontage where safe new vehicle access points can be provided and this may reduce further subdivision and development potential.

3.2.4. Watercourses / Drainage

Whilst the Project did note that this study area was affected by drainage channels / watercourses it perhaps did not consider the impact of setbacks from this watercourse on development potential. There are three (3) roughly east-west running watercourses that connect together and run north-south down the Gooloogong Road. Development within 40m of these watercourses may require a controlled activity permit from DPI Water and takes up a significant area of land. There is also significant vegetation along these corridors. Access to many of the properties (particularly if there were further subdivision) is likely to require watercourse crossing.

3.2.5. Vegetation

There are significant areas of native vegetation through the Northern Area. Some of this vegetation is mapped as being of high biodiversity significance on the LEP mapping (though the mapping does not always accurately align with significant tree areas) and a significant amount is located along the watercourses noted above and would likely be considered riparian vegetation and of higher importance. Of particular importance is that much of this vegetation is contiguous with larger areas of vegetation outside the Study Area – therefore having a potential higher ecological value.

3.2.6. Bushfire Risk

Only part of this vegetation is mapped on the Bushfire Prone Land Maps but it could be expected that this connectivity with bushfire prone land around the eastern and parts of the western sides of the Northern Area would increase the bushfire risk. Whilst dwellings could generally be sited outside of bushfire prone land and with suitable Asset Protection Zones (as set out in the Project) – it does significantly limit the dwelling intensity achievable on the land and raise issues with safe emergency access and egress in a bushfire as well as adding potential cost to building in this area.

3.3. Recent Take-Up / Demand

This area has not exhibited any significant new development or subdivision since the Project was prepared. Therefore either development pressure and/or existing constraints may have made this area less desirable for significant additional development. As noted below, many of the lots are held by six (6) key owners – three (3) of which own adjacent agricultural land – so much of this land is used for agricultural purposes at this time.

3.4. Potential Planning Control Amendments

As a result of the constraints and market demand mentioned above we recommend the following amendments to planning control in this area:

- a) **Zoning:** As this area has a number of existing dwellings and some development potential we recommend that this area is retained in Zone R5 Large Lot Residential in LEP2011.
- b) **Minimum Lot Size:** However, as a result of the constraints and market demand mentioned above we do not believe that the 5ha minimum lot size reflects the development potential or yield for this area and recommend that it is increased to 10 hectares. This lot size would enable every land owner / holding to have at least one (1) dwelling in the area.
- c) **Additional Controls:** We suggest there is also potential for Council to consider updating the Development Control Plan (DCP) to include Buffer Zones to Landfill and Quarries / Mineral Resource Areas to ensure this is considered as part of any development application, subject to more detailed constraint studies.

3.5. Estimated Supply

The Project identified that the original estimated supply for the Northern Area was approximately 25 potential dwelling sites which included vacant land, subdivision potential and Council approved subdivisions which had commenced or yet to be registered. This supply figure aligns fairly closely with a subdivision of the entire area of ~155ha into 5 ha lots ($155/5 = 31$ lots minus 4 existing dwellings = 27 new dwellings). Therefore, it assumes that constraints do not significantly impact on the 5ha existing minimum lot size.

This Addendum updates that information as follows.

As a result of the above recommended amendments the following potential supply could result:

- a) There are two (2) lots greater than 18 hectares in area with further subdivision potential. At a 10 hectare lot size it could potentially achieve four (4) additional lots;
- b) There are eight (8) existing vacant lots (excluding quarries or heavily vegetated land) that may have potential to support a new dwelling as the Minimum Lot Size only applies to subdivision.

Therefore the total potential supply would be reduced from the Project estimate of 25 new dwellings to 10 potential dwellings under the proposed controls (subject to detailed site investigations and merit assessment).

In our experience on lands around Towns the size of Grenfell with current growth rates and some significant constraints- no more than 50% of these dwellings/lots are likely to eventuate in a 30 year time period. Therefore, the potential supply in this period is likely to be up to five (5) additional dwellings. Therefore the total potential supply would be reduced from the Project estimate of 25 new dwellings to 5 dwellings over 20-30 years.

3.6. Impacts of Proposed Amendments on Land Owners

Whilst ownership patterns are not generally taken into account in strategic planning from a constraint point of view – the following is relevant to determining how this land is used and the impacts of any changes in planning control:

- a) There are only six (6) land owners for the 14-15 lots.
- b) Most owners own multiple lots or large holdings. This increases the potential for agricultural use of these land (though sizes may still not be viable);
- c) All but two (2) owners (including Council) have holdings in excess of 20 hectares in area;
- d) At least two (2) of the six (6) land owners own surrounding Zone RU1 Primary Production land in large holdings around the Northern Area – so in effect the land within the Zone R5 area is an extension of the existing farming land and may just support the primary dwelling for that agricultural land.

The potential increase from a Minimum Lot Size ('MLS') of 5ha to a new MLS of 10 hectares means that:

- a) Every owner has the potential for at least one dwelling (whether existing or future);
- b) All existing vacant subdivided lots will have the potential to apply for a new dwelling (subject to merit assessment) so most owners have potential for more than one (1) dwelling;
- c) There are only two (2) owners that would have potential for additional subdivision of existing lots (though rearrangement of existing lot boundaries could be achieved by more owners).

Therefore, we suggest that the impact of this planning control will not create an undue economic burden or loss of potential on owners and in fact the potential supply of new dwellings from this land is more likely to align with the new minimum lot size.

4. NORTH EASTERN AREA (Adelargo Road)

4.1. Summary of Existing Area

The following Table provides a short summary of the Area:

Location	Located to the north-east of Grenfell and north of the Mid Western Highway with the Adelargo Road running north-south through the middle of the area.		
Access to Public Rd	Access is primarily limited to Adelargo Road though the more recent subdivision has access from Simpson Drive onto Adelargo Road. A limited number of lots gain access from O'Loughlins Road from the Mid Western Highway.		
Area	~800 hectares	Existing/Approved Dwellings/Sheds	~20-22 existing*
No. of Lots	~53 lots	No. of Vacant Lots	~31-33 lots
No. of Land Owners	~44 owners	Lot Size Range	~0.74-129ha
Minimum Lot Size (LEP2011)	5ha for <u>subdivision</u> under Clause 4.1. An existing lot below this size may still be able to apply for a dwelling.		

* Note: It is unclear whether some buildings are utilised as dwellings or are merely sheds.

4.2. Updated Constraints & Opportunities

Constraints/Opportunities in Part 2 of the Project are still relevant. However, the Project concluded (in Part 3 Section 6.3) that land in this area had good subdivision potential notwithstanding the vegetation and bushfire potential. Additional or supplemented Constraints/ Opportunities that should be recognised include:

4.2.1. Topography & Views

The study area has extensive views of to the east, west and south from the key ridgelines. This does make it attractive for some development but there are very limited sites where this view is available.

4.2.2. Access

Access to the study area is off the Mid-Western Highway, and located along Adelargo Road and Simpson Drive, which are bitumen sealed. However, part of Simpson Drive and connecting roads within the area are not sealed and are of gravel formation. Some gravel roads are in poor condition, due to topography and drainage issues. This may make it less attractive for people to develop lots in this relatively new subdivision.

4.2.3. Watercourses / Drainage

The extent of penetration of watercourses through this hilly land is significant. It not only limits the area available for development (preferably outside the 20-40m buffer) but it also adds cost to development and increasing difficulties for access roads and drainage design. When combined with bushfire prone lands it takes up or increases cost of development for a significant part of the area.

4.2.4. Vegetation & Bushfire

As stated in the Project, 'a significant proportion of the land on both sides of Adelargo Road is heavily timbered with a scrubby understorey' (Pt2, p.24) with some cleared areas.

The suitability of this area for large lot residential development is potentially severely impacted by protection of native vegetation and bushfire potential. There are large areas of contiguous vegetation extending to the north of Grenfell that increase the bushfire potential. Clearing land for Asset Protection Zones is expensive and it may be more difficult to achieve *Planning for Bush Fire Protection* requirements for safe access and emergency egress.

Even though many of the lots along Simpsons Drive have significant vegetation cover and bushfire risk – we have assumed all of these would be developed because of the recent subdivision approval and purchase by different owners (whereas it appears the Project assumed that vacant lots would not be developed).

Three (3) vacant lots are entirely covered (100%) with vegetation and as a result are completely bushfire prone so it is recommended they are removed from the large lot residential zone. Whilst the Project briefly considered ‘down-zoning’ it stated it may introduce ‘undesirable compensation issues’. However, if this land is not currently capable of supporting additional development then we dispute this suggestion as it is not in accordance with standard planning practice in NSW.

A large number of the larger lots have 30-60% of the site covered by significant vegetation and bushfire potential leaving limited road frontages and substantial buffers around development areas. We do not believe this was appropriately taken into account in the Project assessment and it significantly reduces the perceived supply/yield for dwellings from this land.

4.2.5. Geology / On-Site Effluent

The study area also has a number of rocky outcrops and rock close to the surface of the soil. This is likely to limit sites suitable for dwellings and their on-site effluent systems. Council staff indicated that there has been some difficulty with onsite effluent systems, particularly with absorption trenches not functioning and also being expensive to dig and erect. In effect most land owners have had to resort to more expensive aerobic wastewater treatment systems with dispersion beds. This is a significant development cost and makes this land less attractive for additional development.

4.3. Recent Take-Up / Demand

This area has not exhibited any significant new subdivision since the Project was prepared.

However, there have been 6-8 new dwellings/sheds erected since the Project in 2012 (all in the Simpson Drive development).

The Simpson Drive subdivision (31 lots) had at least nine (9) dwellings/sheds visible from a site visit in March 2016 with an extra three (3) that may be substantial sheds and/or dwellings - taking this to 12 dwellings/sheds.

What is even more interesting is that for all but a couple of lots – each of the lots is held in a different ownership name – and are likely to be subject to Council rates and charges. This suggests people are highly likely to develop these in the short to medium term and there is a real demand for large lot residential land even though the access roads are not ideal, there are significant vegetation and bushfire risks, and rocky outcrops increase cost and impact feasibility.

In the remaining areas outside Simpson Drive there are another ten (10) existing/approved dwellings (Two (2) approvals since 2008). Five (5) of these are west of Adelargo Road and have virtually consumed the key development potential on non-vegetated land in that area. Five (5) are east of Adelargo Road – predominantly on larger lots or holdings that appear to be used for agriculture and some are connected to surrounding properties outside the R5 zone.

Therefore, in total only 20-22 lots out of a total of 53 lots (~40%) have an existing or approved dwelling in 2016. Most of the take-up/demand in this area has been for the smaller 5ha lot sizes in the Simpson Drive development, not the larger lots in the remaining North-Eastern Area indicating smaller lots are more desirable to the market. However, we query whether 5ha is an appropriate minimum lot size considering the constraints in this area.

4.4. Potential Planning Control Amendments

As a result of the constraints and market demand mentioned above we recommend the following amendments to planning control in this area:

4.4.1. Zoning

We have recommended the removal of five (5) lots from Zone R5 Large Lot Residential in LEP2011 and their return to the surrounding rural zone. These lots are:

- a) Lot 1233 DP754578 (~44.87ha) – owners have adjacent land retained in Zone R5 and retain some development potential;
- b) Lots 1155 (~26.3ha) & 1190 DP754758 (~12.7ha) held by the one owner that also has land in the adjacent rural zone but no existing dwelling in either zone;
- c) Lot 2 DP1053881 (~40ha) – one owner (a company) – no dwelling visible;
- d) Lot 368 DP754578 (~9.4ha) – one owner – no dwelling visible.

Note: There are several other lots that have a significant percentage of the lot covered by vegetation / bushfire prone land but to avoid split zoning these lots they have not been recommended for removal (but may be considered for removal (in whole or part) if not developed by the next 5 year review).

4.4.2. Minimum Lot Size

As a result of the constraints and market demand mentioned above we do not believe that the 5ha minimum lot size reflects the development potential or yield for the North Eastern R5 Area and recommend that it is increased to 10 hectares. This lot size would enable every land owner / holding (in the PROPOSED Zone R5 area) to apply for consent to erect at least one (1) dwelling in the area. All vacant lots below 5ha would also be able to erect a dwelling as the minimum lot size only applies to further subdivision.

4.4.3. Additional Controls

We suggest there is also potential for Council to consider updating the Development Control Plan (DCP) to highlight the preferred development area(s) shown on the map and strengthen controls to minimise removal of vegetation and development in bushfire prone lands.

4.5. Estimated Supply

The Project identified that the original estimated supply for the North Eastern Area was approximately 120 potential dwelling sites (at 5 hectares per lot = 600 hectares or 75% of the zone) which included vacant land, subdivision potential, and Council approved subdivisions which had commenced or yet to be registered. Therefore, it assumes that constraints only significantly impact on 25% of the area (though development areas may only make up a small percentage of each lot).

This Addendum updates that information as follows.

As a result of the above recommended amendments the following potential supply could result:

- a) We expect that a high percentage (80%) of all vacant lots in the Simpson Drive subdivision will be developed in the short to medium term because people have already invested in these lots and are paying Council rates – but some (20%) may prove to be too difficult or expensive to develop in the short to medium term. 80% of 22 vacant lots is ~18 new dwellings;
- b) The remainder of development is likely to occur on the area(s) shown on the attached map with white hatching. These area(s) makes up only ~187ha of the ~800ha of existing R5 zone (or ~661ha proposed Zone R5). A 10 hectare lot size could potentially achieve 25-30 additional lots/dwelling. However, due to constraints, access issues and limited market demand only 50% of these are likely to occur in the next 30 years – or 13-15 new dwellings.

Therefore the total potential supply would be reduced from the Project estimate of 120 new dwellings to 31-33 potential dwellings in the next 20-30 years under the proposed controls (subject to detailed site investigations and merit assessment).

4.6. Impacts of Proposed Amendments on Land Owners

Whilst ownership patterns are not generally taken into account in strategic planning from a constraint point of view – the following is relevant to determining how this land is used and the impacts of any changes in planning control. The potential change in the Zone R5 boundary combined with an increase in Minimum Lot Size ('MLS') from 5ha to a new MLS of 10 hectares means that:

- a) Three (3) owners could be affected by the removal of their land from Zone R5 as this land would not have a dwelling potential and no existing dwellings are known to be present. If these owners were concerned, Council could urge these owners to test the development potential of their land through a development application prior to the LEP amendment commencing;
- b) Land owners on existing lots below 10ha would still have the potential for one (1) dwelling, including the owners of lots along Simpson Drive;
- c) Most of the remaining owners have large lots and at least some potential for further subdivision subject to addressing site constraints. Some of these owners already have one (1) dwelling. Only three (3) holdings do not have a dwelling.

Therefore, we suggest that the impact of this planning control will not create an undue economic burden or loss of potential on all but three (3) owners and in fact the potential supply of new dwellings from this land is more likely to align with the new minimum lot size.

5. EASTERN AREA (Derribong Ln to Henry Lawson Way)

5.1. Summary of Existing Area

The following Table provides a short summary of the Area:

Location	There are two sub-areas within what is known as the 'eastern area' including: a) Land to the east & north of the former rail line ('Area 1'); b) Land adjacent to Henry Lawson Way that is west of the rail line ('Area 2').		
Access to Public Rd	Area 1 is primarily accessed from Derribong Lane along the eastern boundary (that connects to the Mid Western Highway), Quondong Road that cuts through the middle of this area and Brickfield Road / Hilder Road that forms the western boundary of Area 1. Area 2 is primarily accessed from Henry Lawson Way that forms the western boundary of this Area. At the northern boundary of this area Walsh's Lane provides access across the railway line to the southern area of Area 1.		
Area	Area 1~177.0ha Area 2~103.7ha Total~280.7ha	Existing / Approved Dwellings / Sheds	Area 1~15 Area 2~3 Total~18
No. of Lots	~ 51 lots (+ 4 part lots)	No. of Vacant Lots	~33 lots (+ 4 part lots)
No. of Land Owners	~ 25 owners	Lot Size Range	~0.8-33ha
Minimum Lot Size (LEP2011)	10ha for subdivision under Clause 4.1. An existing lot below this size may still be able to apply for a dwelling.		

5.2. Updated Constraints & Opportunities

Constraints/Opportunities in Part 2 of the Project are still relevant though the Project did not really consider constraints in detail because the 10ha MLS would address most of these and this MLS was not queried. Additional or supplemented Constraints/ Opportunities that are considered include:

5.2.1. Topography & Views

There are two (2) key high points in the Eastern Area – both in Area 1. One is just west of Derribong Lane in the north of Area 1 and the other is west of Quondong Road in the south of Area 1. The slopes of both high points provide longer district views and higher visual impact for any development. Proposed increases in dwelling density have sought to avoid the higher slopes of both high points to retain a largely vegetated backdrop on higher slopes.

5.2.2. Access

The north of Area 1 generally has reasonable access opportunities for new development (except for constraints posed by the Mid Western Highway and topography/vegetation).

Owing to the lack of frontage of the Zone R5 area to existing public (formed) roads the southern part of Area 1 has relatively poor access. In many ways access to open up and utilise this area is unlikely to be feasible until there is a greater permitted dwelling density (as recommended in this study).

An indicative possible future road connection between Quondong Road and Walsh's Lane with a northern link to Brickfield Road is a suggestion for consideration in any future development of this land and possible inclusion into the DCP.

Area 2 has good access to Henry Lawson Way but this is a classified regional road controlled by Roads & Maritime Services who are unlikely to support new / additional driveway accesses to this road for multiple properties (where alternative access can be provided). Therefore it is suggested that any new access for this land comes from a lane connecting to Walsh's Lane (subject to further discussions with Roads & Maritime Services).

5.2.3. Watercourses / Drainage

The Eastern Area is relatively unaffected by significant watercourses. There are a few first order streams / intermittent drainage channels that connect down to Hilder Road in Area 1 and some more significant streams in the southern half of Area 2. However, in general limited land would be sterilised/ constrained by setbacks from watercourses and drainage issues. This is one reason the land could potentially support some smaller lot sizes than 10ha.

5.2.4. Vegetation & Bushfire

Significant clusters of vegetation generally only occur along Derribong Lane and Quondong Road in Area 1, particularly around the hill in that area. The remainder of Area 2 and most of Area 1 has only sparse tree cover (mostly on higher elevations) and could easily be protected with lot sizes greater than 1 hectare and dwelling envelopes outside treed areas / limited clearing.

As a result there is no significant bushfire risk in either Area 1 or Area 2. This is another reason why the larger minimum lot size of the Eastern Area (10ha) compared to the smaller MLS for the North and North Eastern Areas (5ha) does not make strategic sense and a lower MLS is recommended for parts of the Eastern Area.

5.2.5. Geology / On-Site Effluent / Agriculture

A site inspection did not reveal any significant obvious rocky outcrops or rocky soils and Council staff did not flag any particular issues with rock limiting development or impacting on on-site effluent systems in the Eastern Area.

The only downside of developing this area is that some of the southern parts of both Area 1 and Area 2 appear to have good soils and currently appear to be utilised for agriculture (grazing). Further development of the southern areas is likely to increase land use conflicts with agriculture. For this reason the southern sections of Areas 1 and 2 have retained the higher MLS of 10ha in this Study but have been highlighted as future investigation areas for reduced lot sizes if/when the northern areas achieve 60% subdivision and dwelling erection.

5.3. Recent Take-Up / Demand

There has only been limited additional take-up / development of this area in the 4-5 years since the Project was prepared. Council records indicate three (3) development approvals for dwellings since 2011 (2 in Area 1 and 1 in Area 2).

This low demand may be partly attributed to the large lot size that may not be meeting current market demand combined with the fact that a lot of the area has poor or no direct access to a public road. These factors could be linked in that the large lot size does not make it viable to build new internal roads due to low yield. The recommendation of this Study is to reduce the minimum lot size for subdivision in parts of this area to promote improved access and development as well as improve frontage to Quondong Rd for Lot 2 DP1142374 to promote new access points.

It is interesting to note that land between Quondong Rd and Brickfield Rd appears to have been consolidated to the 10ha lot size (existing MLS) since the Project – so the total number of lots in the Eastern Area has decreased from 64 to 51 (+4 part lots) – probably as a requirement of consent. These owners may subsequently seek to re-subdivide these properties.

5.4. Potential Planning Control Amendments

As a result of the constraints and market demand mentioned above we recommend the following amendments to planning control in this area (see the attached map(s) for location of these changes):

5.4.1. Zoning

All of the zone boundary changes in the Eastern Area are designed to clean up existing split zoning issues affecting four (4) lots. We have expanded the zoning to include adjacent rural land on two (2) of the lots and reduced it (to move land back into the adjacent rural zone) for two (2) lots. The net change in area of Zone R5 Large Lot Residential is an increase of only ~7.5 hectares as follows:

- a) Lot 2 DP1142374 – Increased by ~10.5ha to provide full frontage of the lot to Quondong Road to facilitate new development to the south of Area 1. Originally only ~7ha of the 17.5ha lot was on Zone R5;
- b) Lot 1143 DP754578 – Increased by ~6.8ha to include all of the ~24.4ha lot – noting that this forms part of a larger holding / agricultural property split across both the R5 and RU1 zone (removal of this lot would have still left part of the property/holding in Zone R5);
- c) Lot 2 DP811453 – Reduced by ~4.8ha to remove the entire ~44.3ha lot – noting that this same owner gained a similar area of R5 zoned land on Lot 1143 above and this land sits at the top of a significant hill and has higher visual impact so it is less suitable for more intense development;
- d) Lot 52 DP1009851 – Reduced by ~5.0ha as it formed part of a larger agricultural property (~48.5ha) that runs along the southern side of the rail corridor and has access from Lynch's Lane but has no existing viable access to the part R5 zoned area so development potential was low.

In summary by fixing the split zonings one (1) owner loses some land in Zone R5 but this is offset by gains on another lot (net increase 2ha); one (1) owner gains 10.5ha in Zone R5 which increases the viability of the subdivision of the entire area, and one (1) owner loses 5ha but this land did not have any easy access or development ability so impact may be minimal. So overall the impact of the proposed control changes is negligible.

5.4.2. Minimum Lot Size

As noted in the Opportunity/Constraints Section above – there is a stark contrast between the relatively unconstrained lots in the Eastern Area with a high Minimum Lot Size (MLS) of 10ha and the highly constrained lots in the Northern and North-Eastern Areas with a lower MLS of 5ha. If Council accepts the recommendation to increase the MLS for the N/NE Areas then we suggest a corresponding decrease in MLS for parts of the Eastern Area as follows:

- a) **Area 1A** (between Quondong Rd and just south of Hilder Rd) – Decrease MLS from 10ha to 1ha. Affects ~28.8ha but most of the existing lots, in and surrounding this area, are around 1ha in size. There are only two larger lots around 10ha in size that would benefit from this reduced MLS – with a potential increased yield of 15-18 lots/dwellings in this area (2 existing dwelling; total new dwellings ~20-22). There is an existing CTW water line running along Brickfield Road that if suitable could support this lower lot size and provide a sustainable potable water supply (subject to on-site effluent systems being able to manage this – See the Utilities section at the start of this Report);
- b) **Area 2A** (east of Henry Lawson Way but north of the Cemetery) – Decrease MLS from 10ha to 1ha Affects ~32ha of land). This is relatively unconstrained land immediately adjacent to urban R1 zone development to the north and opposite significant R5 development on the west side of Henry Lawson Way. Its only constraint is access to a regional road – and the reduction in MLS is likely to improve the viability of creating a north-south internal access road connecting to Walsh's Lane and mitigating this access / safety issue. There are four (4) lots (each roughly 8-9ha in area) – with a potential increased/total yield of 25-30 lots/dwellings (no existing dwellings) in this area (assuming the rail/road reserves can be closed that cross this land). There is also potential to extend the CTW water line in this area – See the Utilities section at the start of this Report;
- c) **Area 1B** (between the end of Walsh's Lane and Quandong Rd) – Decrease the MLS from 10ha to 2ha. Affects ~70.9ha of land with existing lot sizes ranging from 0.82ha to 17.45ha – with the

majority of lots around the 10-12ha range. Potential increased yield of 20-23 new lots/dwellings (2-3 existing dwellings). Slightly larger lot size takes into account some drainage paths, and existing vegetation but provides sufficient incentive to promote a new link road between Walsh's Lane and Quandong Road connecting up to Brickfield Road to open up access.

d) **Remaining Area:** The remaining parts of the Eastern Area would retain a MLS of 10ha including:

- i) The lands east/north of Quondong Rd and west of Derribong Lane up to the Mid Western Highway. There are a number of lots of 0.6-0.8ha in size that may be able to apply for a dwelling. The remaining lots are generally 2-5ha in size and constrained either by vegetation, slope or an existing bee industry and do not need any reduction in MLS.
- ii) The lands to the south of Area 1 and south of Area 2 (south of the cemetery) have more significant slopes, watercourses, vegetation and are currently being used for agriculture.
- iii) However, as the other parts of the Eastern Area are developed these 10ha MLS sites are identified for future investigation for a lower minimum lot size.

Overall, the impact is to provide greater flexibility to a significant percentage of land owners in the Eastern Area to subdivide below 10ha. The remaining owners have retained the existing 10ha MLS so no owner has reduced development potential as a result of the changes.

5.4.3. Additional Controls

We suggest there is also potential for Council to consider updating the Development Control Plan (DCP) to highlight the preferred road connection(s) shown on the map to open up this land and strengthen controls to minimise removal of vegetation, particularly on higher slopes.

5.5. Estimated Supply

The Project identified that the original estimated supply for the Eastern Area was approximately 15 potential dwelling sites but this seems to be based on owners having to provide the minimum 10 hectare holding size rather than ability to apply for dwellings on lots less than the minimum lot size if site constraints can be addressed. We amend this finding based on current controls. Also, whilst it was recognised that there were limited constraints in this area - the suitability of the 10ha MLS (compared to 5ha in the North-Eastern Area) was not queried in the Project.

This Addendum updates that information as follows.

As a result of the above recommended amendments the following potential supply could result (summarised from Minimum Lot Size above):

- a) Area 1A (1ha MLS) – Potential for 20-22 new dwellings;
- b) Area 2A (1ha MLS) – Potential for 25-30 new dwellings;
- c) Area 1B (2ha MLS) – Potential for 20-23 new dwellings;
- d) Remaining area near Mid Western Highway (10ha MLS) – Total of 7-8 potential dwellings;
- e) Remaining area to south of Area 1 (10ha MLS) – Potential for 4 new dwellings;
- f) Remaining area to south of Area 2 (10ha MLS) – Potential for 4 new dwellings.

Therefore the total potential dwellings at the proposed new zoning and Minimum Lot Size (MLS) is around 80-91 new dwellings. However, due to the costs of development and requirement for new internal roads combined with limited growth pressures and reasonable choice around Grenfell for Zone R5 land we would expect only 40-50% of these lots to be realised in the next 30 years. Therefore, only 32 to 45 new dwellings are likely in this period.

Therefore the total potential supply would be increased from the Project estimate of 15 new dwellings to 32-45 potential dwellings in the next 30 years under the proposed controls (subject to detailed site investigations and merit assessment).

6. SOUTHERN AREA (Henry Lawson Way to Mary Gilmore Way)

6.1. Summary of Existing Area

The following Table provides a short summary of the Area:

Location	This area is located between Henry Lawson Way and Mary Gilmore Way immediately adjacent to the south side of the urban area of Grenfell. There are two sub-areas within what is known as the 'southern area' including: a) Existing R5 zoned land to the north of Murrays Lane and east of Grimshaw Lane ('Area 1'); b) Zone RU1 Primary Production land south of Murrays Lane and west of Grimshaw Lane and on either side of Halls Lane as a potential expansion area ('Area 2'). It forms a natural 'infill' area between Grimshaw Lane and Mary Gilmore Way.		
Access to Public Rd	Area 1 is primarily accessed from Henry Lawson Way and Mary Gilmore Way through a network of streets including Holy Camp Rd, Murrays Lane, Berry's Rd, and Grimshaw Lane. Area 2 is again accessed from Henry Lawson Way and Mary Gilmore Way with key existing property access from Murrays Lane and Grimshaw Lane. Halls Lane is a partly formed track and Berry's Road is unformed.		
Area	Area 1~122.8ha Area 2~74.9ha Total~197.7ha	No. of Existing or Approved Dwellings / Sheds	Area 1~41 dwellings Area 2~4 dwellings Total~45 dwellings
No. of Lots	Area 1~64 Lots (+1 part lot) Area 2~14 Lots Total~78 Lots (part lot removed)	No. of Vacant Lots	Area 1~24 Lots Area 2~10 Lots Total~34 Lots
No. of Land Owners	Area 1~58-60 owners Area 2~5 owners Total~63-65 owners	Lot Size Range	Area 1~0.78-8ha Area 2~0.41-10ha
Minimum Lot Size (LEP2011)	Area 1 – 0.4ha for <u>subdivision</u> under Clause 4.1. An existing lot below this size <u>may</u> still be able to apply for a dwelling (subject to site constraints). The majority of lots are 1-2ha in size. Area 2 is in the rural zone and has a MLS of 400ha so all of the existing lots are significantly below this size.		

6.2. Updated Constraints & Opportunities

Constraints/Opportunities in Part 2 of the Project are still relevant. Additional or supplemented Constraints/ Opportunities that should be recognised include:

6.2.1. Topography

The highest points of Areas 1 & 2 are along Grimshaw Lane – falling to the north and west towards Grenfell and Mary Gilmore Way. Generally the slopes are not steep and the land is well suited to large lot residential development except for low lying lands north of Holy Camp Road.

6.2.2. Access

As stated above, Area 1 has excellent access from Henry Lawson Way and Mary Gilmore Way through a network of streets including Holy Camp Rd, Murrays Lane, Berry's Rd, and Grimshaw Lane. Additional internal road access would only be required if desired lot sizes are reduced to the minimum 0.4ha but this is unlikely in the short to medium term (based on apparent market demand).

As stated above, Area 2 is again accessed from Henry Lawson Way and Mary Gilmore Way with key existing property access from Murrays Lane and Grimshaw Lane. Halls Lane is a partly formed track and Berry's Road is unformed. Due to the block sizes the area would need new internal links roads for substantial additional subdivision to minimise new accesses to regional roads.

The formation of Berry Road would require one watercourse crossing but this is only a first order watercourse and may not require substantial civil works. Additional north-south internal roads could be added at a later time between Murrays Lane and Halls Lane to improve access and get closer to achieving the recommended 2ha minimum lot size. However, in the short to medium term the rezoning of this area is likely to facilitate more development along existing formed road frontages.

6.2.3. Watercourses / Drainage

The Flood mapping has not changed since the Project. Flood risks still remain along low lying land north of Holy Camp Road so the vacant land in this area is not well suited to additional development and is not to be counted for development potential (~11 lots are partially or fully affected). The remaining parts of Area 1 are generally well drained and unconstrained by watercourses.

In Area 2 (proposed expansion area) there is a single east to west first order intermittent watercourse that is only likely to experience some minor flash flooding in heavy rainfall events. With appropriate lot design setbacks can be accommodated. As Area 2 is outside the flood zone and on elevated land it is desirable that large lot residential growth is in a southerly direction from Grenfell.

It is not recommended to remove flood prone land to the north of Area 1 from Zone R5 as most of it is developed except for eight (8) lots. Site specific assessment can determine development potential.

6.2.4. Vegetation & Bushfire

There are very few clusters of significant vegetation in either Area 1 or Area 2. None of these clusters are mapped as either moderate or high biodiversity value in the LEP.

In Area 1 there are some clusters between the watercourse and the railway corridor that should be protected where possible. Most of the rest of this area was previously agricultural and significantly cleared. There is no bushfire prone land mapped in Area 1.

In Area 2 there are lines of significant vegetation down the existing watercourse path and along the road corridors combined with 3-4 smaller clusters through the existing lots. There is potential to improve connectivity between these clusters extending up to vegetation on the hill to the south-east with appropriate development design. There is no bushfire prone lane mapped in Area 2.

6.2.5. Geology / On-Site Effluent / Agriculture

A site inspection did not reveal any obvious significant rocky outcrops or rocky soils and Council staff did not flag any particular issues with rock limiting development or impacting on on-site effluent systems in the Southern Area.

Area 1 is nearly totally developed for large lot residential purposes and no longer has any significant agricultural functions. Area 2 has limited agricultural functions as the ~75ha is split over 5 owners and the lot pattern has fragmented the area and the topography is likely to constrain more intensive farming practices. There are four (4) smaller 0.4 hectare lots along Mary Gilmore way (possible concessional lots) and two (2) 1-3ha lots. The remaining eight (8) lots are generally around the 6-10ha size but these are split over four (4) owners with the largest holding being ~28-30ha.

Only the land south of Halls Lane is connected to a larger 478ha agricultural holding to the south but the removal of ~9.6ha from this holding is unlikely to affect its agricultural potential (though it will potentially increase the interface for land use conflicts).

Therefore, whilst Area 2 proposes to take up agricultural land with reasonable soil conditions – it only extends over existing fragmented holdings/lots. The success of the southern area in terms of take-up and the limited constraints to the south mean that it is likely large lot residential growth will move in this direction over time.

6.3. Recent Take-Up/Demand

The existing Zone R5 Southern Area (Area 1) has had the highest take-up and development approval rate of all of the large lot residential areas around Grenfell.

Since the Project in 2012 there have been eight (8) new lots created by subdivision (Lots 1 & 2 DP1190439; Lots 1 & 2 DP1177423; Lots 9-12 DP1186800) – an addition of five (5) lots to the Area taking it to a new total of 64 lots (+ 1 part lot).

Of the 64 lots (+1 part lot) – 41 (63%) have an existing or approved dwelling or substantial structure leaving only 20-24 vacant lots (of which less than 20 are suitable for development). Since 2012 there have been eight (8) approved dwellings (~2/year). There has been an increase in number of dwellings from 32 to 41 dwellings (9 new dwellings).

In addition, there are now only a handful of multiple adjacent lots held by the same owner – suggesting that all of the vacant lots will be developed in the short to medium term as they are paying Council rates.

Part of the reason for this area's success is likely to be the lack of constraints affecting development – but it is also a combination of a flexible minimum lot size (0.4ha) combined with ease-of-access, good views and quality homes that have made this estate attractive. The average lot size is generally 1-2 hectares (most smaller lots are historical) so this suggests what the market is looking for in this area.

As Area 2 is in the rural zone and has a minimum lot size of 400ha there has been minimal development in this area.

6.4. Potential Planning Control Amendments

As a result of the constraints and market demand mentioned above we recommend the following amendments to planning control in this area (see the attached map(s) for location of these changes):

6.4.1. Zoning

Proposed alterations to zone boundaries effects four (4) lots including:

- a) Removal of the split zone on Lot 367 DP754578 (Henry Lawson Way) – recommend placing the entire lot in Zone R1 General Residential;
- b) Removal of all of the cemetery lots on Henry Lawson Way into the surrounding Rural Zone (unless there is a good reason why they are in Zone R5).

The most significant recommendation is to expand the Zone R5 area to the south of Murrays Lane and East of Grimshaw Lane to just south of Halls Lane (into Area 2). The reasoning as stated above is that the Southern Area (Area 1) has been successful and is nearing 60-70% take-up/development. Whilst there is some potential for subdivision in Area 1 as most lots are 2-4 times larger than the minimum lot size – it would appear this is unlikely to be supported by the market and would require expensive internal roads with limited potential as well as additional servicing for water.

The natural extension of this area is to the south into Area 2 (~75ha). The impact of this extension is reviewed above – but in summary – it only involves 14 lots with 5 owners and is already fragmented and unlikely to support viable agriculture. Murrays Lane offers the potential for immediate access and subdivision potential and Halls Lane and could be formed up to provide additional access / subdivision potential.

6.4.2. Minimum Lot Size

The proposed minimum lot size is as follows:

- a) **Area 1:** Retain the existing MLS of 0.4ha. Whilst the market and block/lot arrangements appear to be driving for a preferred lot size of 1-2ha – the lower lot size continues to provide flexibility and some limited additional subdivision where on-site servicing (water/sewer) can be addressed through a merit assessment.
- b) **Area 2:** It is recommended that the new Area 2 (extension of Zone R5 into RU1) has a minimum lot size of 2ha. As stated above this broadly meets the market demand for lot size and allows sufficient area for on-site servicing in the majority of cases. As some significant additional internal roads and new electricity infrastructure will be required to maximise the development potential of this land it is necessary to maintain a reasonably high yield to offset these development costs. It also increases the MLS as development moves to the south and manages the interface with existing agricultural activities to minimise land use conflicts.

6.4.3. Additional Controls

We suggest there is also potential for Council to consider updating the Development Control Plan (DCP) to highlight the preferred road connection(s) shown on the map to open up this land, strengthen controls to minimise removal of vegetation, and provide appropriate setbacks to watercourse and manage drainage.

6.5. Estimated Supply

The Project identified that the original estimated supply for the Southern Area (Area 1 only) was approximately 30 potential dwelling sites made up of 17 vacant lots and 13 potential lots through subdivision (Pt 2, pg.33). This estimation is likely to have assumed that there would be further subdivision to the minimum lot size of 0.4ha. However, as the existing lot pattern demonstrates the market is more likely to support lots of 1-2ha and this significantly reduces the yield.

This Addendum updates that information as follows.

As a result of the above recommended amendments the following potential supply could result (summarised from Minimum Lot Size above):

- a) Area 1 (0.4 MLS but likely average lot size of 1-2ha) – Potential for 15 new/additional dwellings. As these are existing lots with good access and services (but held often by adjoining owners) we have assumed a 60% chance of these being developed in the next 30 years. Therefore a likely yield in that time is 9 new dwellings;
- b) Area 2 (2ha MLS but likely average lot size of 3-4ha) - Potential for 20-25 new/additional dwellings. However, as this area will take some time to service and only the easier lots from Murrays and Halls Lane will be developed in the foreseeable future – we have assumed only 30% of these lots being developed in the next 30 years. Therefore a likely yield in that time is 6-8 dwellings.

Therefore the total estimated dwelling potential in the next 20-30 years at the proposed new zoning and Minimum Lot Size (MLS) is around 15-18.

Therefore, even with the increase in the Southern Area into Area 2, the total potential supply in the next 30 years would be reduced from the Project estimate of 30 new dwellings to 15-18 potential dwellings under the proposed controls (subject to detailed site investigations and merit assessment).

6.6. Impacts of Proposed Amendments on Land Owners

There is no significant impact in Area 1 as the existing controls are mostly retained and dwellings are retained in a residential zone.

In Area 2 there is an obvious uplift from the rezoning that could benefit up to five (5) land owners. But it will take some time for this area to be serviced to produce lots that can be subdivided and sold on the market. As stated above – this is a reasonably logical growth direction into relatively unconstrained lands so it is a transparent process.

It is also important to consider the increased potential Zone R5 area in light of the reduced potential yield in the North and North-Eastern Areas; the likely yield of the Southern Area in the next 20-30 years is not increased by this proposal; and the overall Zone R5 yield estimate is only likely to meet demand for the next 20-30 years.

6.7. Future Investigation Area(s)

Should the land in Area 2 (once rezoned) achieve 60-70% take-up or at least 10-15 new dwellings then Council should consider investigating further land to the south for rezoning for large lot residential as shown on the Future Investigation Areas Map.

This land is currently held by three (3) land owners – two (2) of which are part of sizeable farms/holdings of 162 and 478ha each. The impacts on agriculture will require further investigation as will the opportunities for access to enable subdivision. Thompson's Lane may form a natural extension in the next round of development (if required) (as shown on the map).

Other than agriculture and access this land is relatively unconstrained by significant vegetation / biodiversity or bushfire prone lands. There are a number of first order watercourses but with appropriate drainage design and setbacks appropriate development of these areas could be managed. Visual impact of development on the higher lands / ridgeline may require consideration.

7. WESTERN AREA (Manganese Road to Mid Western Highway)

As there are no proposed amendments to the planning controls for this area we have only provided a short summary of the opportunities/constraints and potential dwelling supply as follows:

Location	The Western Area is located between the Mid Western Highway to the north, Bradleys Street to the east, and just to the south of Manganese Road.		
Access to Public Rd	Mid Western Highway and Manganese Road provide road frontages though new access points to the Mid Western Highway are likely to require RMS consent and may need to seek alternative practical entry points (if available) or consolidate entries in some way as there are limited sight-lines along some sections of the Mid Western Highway. Ideally most access should come from Manganese Road.		
Area	Area 1~74.8ha	Existing / Approved Dwellings / Sheds	~14 existing dwellings + 2 sheds / industrial buildings (16 lots)
No. of Lots	~ 53 lots + 1 part lot (+6 narrow lots)	No. of Vacant Lots	~ 37 vacant lots (not including part/narrow lots)
No. of Land Owners	~ 10-20 owners (not checked) but large amounts held by 3 owners	Lot Size Range	~0.5-8ha with 3 owners having holdings of 21.4/17.8/6.7ha (Total 45.9ha or 61%)
Minimum Lot Size (LEP2011)	0.4ha for <u>subdivision</u> under Clause 4.1. An existing lot below this size <u>may</u> still be able to apply for a dwelling (subject to site constraints).		
Constraints	Constraints/Opportunities in Part 2 of the Project are still relevant. Additional or supplemented Constraints/ Opportunities that should be recognised include flooding in the east, limitations to new access to the Mid Western Highway, and adjacency to industrial activities in the east and agricultural activities to the south of Manganese Road and west of the Area. There is one listed heritage item in the Western Area (Manganese Road) that extends across three lots. However, this is unlikely to significantly constrain development in this area.		
Recent Development	No new dwelling approvals in this area since 2007 according to records provided by Council. There was one 3 lot subdivision for Lot 1 DP1103123 (DA53/3013) that created Lots 11-13 DP1212714 (additional 2 new lots). There are still 14 dwellings but 2 lots have sheds suggesting likely development.		
Planning Amendments	There is no proposal to amend the planning controls in the Western Area at this time. All but one (1) of the lots in the flood zone is already developed for dwellings so there is little point in removing flood prone land from the R5 zone. There is one split zone in the south-east corner but it has limited development potential outside the R5 zone. The DCP could potentially indicate preferred areas for future internal road linkages and new connections to the Mid Western Highway / Manganese Road.		
Project Est. Supply	The Project stated that <i>'The Western R5 area contains significant theoretical potential to allow additional dwellings through take-up of vacant lots and through subdivision. Note that this potential does not include difficulties with access from the Highway to existing Crown roads and vegetation constraints to provide services along Manganese Road.....Based on a potential subdivision of 0.75ha ... there is a potential for approximately 54 additional dwelling lots in the Western R5 area. It is considered unlikely given the current pattern of development that landowners, current and future, will attempt to subdivide down to the present 0.4ha minimum lot size' (Pt 2, pg.33).</i>		
Potential Supply	The average lot size in this area is likely to be closer to 0.8ha than the MLS of 0.4ha. The majority of existing lots are between 0.5 to 0.8 hectares in size and would have the potential to apply for a dwelling (~20 lots) and are unlikely to be subdivided. There are 6-8 larger lots (~30ha) ~2ha to 8ha in size with some additional subdivision potential at an average of 1ha/lot of 30 additional lots/dwellings subject to achieving		

	access to maximise subdivision efficiency. In order to maximise yield then some internal roads will be required but in the short term 'strip' development along Manganese Road is the most likely. It is likely that agricultural use of the lots south of Manganese Road will occur for the foreseeable future (13 lots). Of the potential 50 lots/dwellings it is assumed that only 60% of these will be made available in the next 30 years – resulting in a potential yield of 30 dwellings/lots. Therefore the total potential supply would be reduced from the Project estimate of 54 new dwellings to 30 dwellings over 20-30 years.
Future Investigation	The likely future growth direction for the Western Area (once the existing area is developed) is to the south of Manganese Road due to road access and flooding constraints (see Future Investigation Map). There is an existing 0.6-0.8ha lot pattern here and existing/potential road corridors providing good access. This is a medium to longer term option once the existing Western Area reaches at least 60% take-up / development for dwellings. It would also depend on the viability of the existing agriculture on these lots.

SUPPORTING MAPS