

**BUSINESS CENTRE STRATEGY
REVIEW STUDY**

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CITY of ORANGE

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ORANGE CITY COUNCIL

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EXECUTIVE SUMMARY

Introduction Section 1

This Report has been prepared for Orange City Council (Council) by Leyshon Consulting Pty Ltd. The Report presents the findings of a review of the existing Business Centre Strategy for the City of Orange.

In 1997 Leyshon Consulting undertook preparation of a Business Centre Strategy for Council. Since 1997 there have been a number of new retail developments of significance—both within the City of Orange and in the region surrounding Orange.

The most significant development since 1997 has been the construction of the Orange Homemaker Centre on the so-called Gateway site on the eastern fringe of the city. Meanwhile in nearby Bathurst the Myer department store has since closed. These two developments arguably have strengthened the role of Orange in the regional retail hierarchy since 1997.

Urban Development Strategy Section 2

A report prepared for Council by Parsons Brinkerhoff (PB) in 2004 outlined an urban development strategy for the City of Orange (*Orange Sustainable Settlement Strategy and Local Environmental Study*). Certain findings of that report are particularly relevant to this review of the City's business centre strategy.

The PB report identified a number of areas in Orange (described as LU1, LU2 and LU3) considered suitable for both residential and rural/residential development up to 2026. The three areas are located in northern Orange lying generally to the north of the proposed Orange Distributor Road.

The PB study also considered the need for a new centre to service population growth in North Orange. They concluded such a centre most appropriately should be located in proposed release areas LU1 or LU2.

Demand Assessment Section 3

The Orange trade area consists of three distinct parts namely:

- ▶ Primary Trade Area (PTA) — City of Orange
- ▶ Secondary Trade Area (STA) — Blayney and Cabonne Statistical Local Areas (SLAs)
- ▶ Tertiary Trade Area (TTA) — Cowra, Parkes, Forbes and Weddin SLAs.

EXECUTIVE SUMMARY

Cont'd

Demand Assessment Cont'd

The overall trade area population is projected to increase from 99,301 persons in 2004 to 101,827 by 2016—growth of +2,526 persons. Almost all of this growth will occur in the PTA (+2,736 persons) but this will be offset by population loss forecast for the TTA (-979 persons).

Total available annual retail spending in the Orange trade area in 2004 is estimated at \$728.5 million (\$2004). In the PTA specifically, total available annual retail spending is estimated at \$297.5 million.

Due to modest population growth, by 2016 total available annual retail spending in the trade area is projected to rise to \$843.6 million (\$2004), an increase of +\$115.1 million over its 2004 level. Annual available spending in the PTA meanwhile is expected to have grown to \$359.4 million by 2016—an increase of +\$61.9 million over its 2004 levels.

Broadly, expenditure growth of this magnitude would support the following additional retail floorspace:

▶	PTA	...	13,768 sq.m.
▶	STA	...	5,288
▶	TTA	...	6,536
▶	Total	...	25,593.

Retail Needs – North Orange Section 4

Detailed analysis of the retail needs of the future population settling in North Orange gives rise to the following conclusions:

- ▶ by 2011 a full-line supermarket (of about 2,500 sq.m.) would be viable in the North Orange area supported by about 532 sq.m. of specialty retail space—broadly equivalent to 10-12 shops
- ▶ such a centre would support approximately a further 200 sq.m. of non-retail floorspace—for instance, commercial uses
- ▶ by the time North Orange is fully developed, the area could support two full-line supermarkets or, alternatively, redevelopment of the original centre could occur so as to provide a major full-line supermarket of at least 3,500 sq.m.

EXECUTIVE SUMMARY

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Retail Needs – North Orange Cont'd

- ▶ development of a discount department store (DDS) in the North Orange area prior to 2011 is not warranted. It would be appropriate for Council to review the requirement for such a store in North Orange after 2011.

Location of New Centre Section 5

Four specific sites nominated by private stakeholders have been considered as a potential location for a new centre in North Orange. The sites in question are described as:

- ▶ Site A ... corner of the Mitchell Highway
- ▶ Site B ... Distributor Road West
- ▶ Site C ... Waratah Park
- ▶ Site D ... Leeds Parade site.

The *Orange Sustainable Settlement Strategy* also nominated three potential sites for a new centre in North Orange. These are described as:

- ▶ Site E – North Orange Distributor/Burrendong Way
- ▶ Site F – North Orange Distributor/Mitchell Highway
- ▶ Site G – Mitchell Highway.

All of the subject sites could provide for the potential long-term retail requirements of North Orange namely a DDS, a full-line supermarket and supporting specialty shops.

From a broad strategic and retail planning perspective there is little to separate Sites B and C. Sites A, E, F and G would be suitable for new retail development but do not possess the advantages of Sites B and C. Of these four locations, Site E has somewhat greater advantages compared with Sites A, F and G in terms of centrality to the future North Orange residential release area.

EXECUTIVE SUMMARY

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Orange CBD Section 6

The retail strength of the Orange CBD would be significantly undermined if Myer closed and the CBD was left with only two DDS (Big W and Kmart) and the possibility that one of these could also close. This particularly would be the case if a second DDS established in North Orange. If Myer's Orange CBD store closed, its replacement by a DDS (as has occurred in Bathurst and Tamworth) is therefore considered essential.

If a DDS-based centre is approved for development in North Orange it will have an impact on the Orange CBD regardless of the timing of its introduction.

If Council supports the concept of a DDS being developed in North Orange then it should take the following steps to minimise its impact on the Orange CBD:

- ▶ limit the size of the DDS to around 5,000 sq.m.
- ▶ prohibit the development of a DDS in North Orange prior to 2011.

The future of the site of the Orange Base Hospital is under consideration. The hospital site is significant enough in terms of its size to accommodate a major retail development—that is, one which included a DDS, supermarket and specialty retail floorspace.

Redevelopment of the hospital site for such a retail project would have very significant implications for the future of the Orange CBD as it would become a separate destination to the CBD.

Such a development likely would have the same or greater impact on the CBD as would development of a new DDS-based centre in North Orange yet would not deliver substantial benefits to the new residential population settling in North Orange.

Other Issues Section 7

Council also requested Leyshon Consulting to consider three other issues namely:

- ▶ possible changes to provisions in Orange LEP 2000 as they relate to bulky goods retailing and a tenancy of The Warehouse Group in particular
- ▶ whether approval should be given to facilitate the redevelopment and expansion of the existing Mitre 10 hardware store in McLachlan Street, Orange
- ▶ whether approval should be given to the proposed rezoning of land at 52-54 Bathurst Road, Orange.

EXECUTIVE SUMMARY

Cont'd

Other Issues Cont'd

Bulky Goods Retailing

The existing definition of bulky goods appears to work effectively in terms of encouraging (but controlling) bulky goods retail development in Orange. To retain The Warehouse Group as a tenant at the Orange Homemaker Centre the most feasible course of action is to amend Orange LEP 2000 by way of inserting a new definition of "major discount variety store". LEP 2000 also could be amended to provide that a major discount variety store is only permissible on land zoned 3(c) and as described in Clause 56—that is, the Orange Homemaker Centre.

Mitre 10 Store

Council has received a rezoning application on behalf of the owners of the existing Mitre 10 store in Orange to rezone the site occupied by the store to permit a broader range of bulky goods retailing and to create a new access point to the site from Leeds Parade/William Street.

Subject to authorities agreeing to appropriate access from Leeds Parade/William Street, it is recommended the proposed redevelopment of the Mitre 10 site should be supported by Council.

The proposed addition of some 2,624 sq.m. of bulky goods floorspace on the site is not regarded as significant from a strategic planning point of view.

52-54 Bathurst Road

An application for the rezoning of land at 52-54 Bathurst Road and 27 Eyles Street, Orange to 3(b) Business Services is before Council. The subject site is currently occupied by a retail nursery although the land is zoned 2(a) Urban Residential.

Given its size, the proposed rezoning is unlikely to lead to a form of retail/commercial development either out of context with other forms of existing commercial, retail or quasi-commercial development on Bathurst Road or one which threatened the long-term performance of the CBD. Hence, there is little risk to the Business Centre Strategy for Orange if the subject site was rezoned to 3(b) Business Services.

EXECUTIVE SUMMARY

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Recommendations Section 8

This Report makes the following recommendations:

- ▶ that Council seek formal expressions of interest in the development of a major new retail centre for North Orange and that proposals received be evaluated against criteria of the type described in this Report
- ▶ that following selection of a preferred site, land be rezoned to facilitate development of a new centre in North Orange with the identified site having sufficient capacity to incorporate a full-line supermarket, supporting specialty shops and possibly a DDS
- ▶ that planning controls be introduced into a new DCP covering the site of the proposed North Orange centre so as to ensure the largest retail tenant does not exceed 5,500 sq.m. in gross leasable area
- ▶ that planning controls be included in a new DCP for the North Orange centre so as to prohibit the development of a DDS prior to 2011
- ▶ that if the Orange Base Hospital vacates its current site within the next decade, Council not endorse a substantial component of retailing (that is, > 2,500 sq.m.) in any redevelopment plan for the site given the potential for such a project to have an adverse impact on the Orange CBD
- ▶ that Council introduce a provision to Orange LEP 2000 to define multi-use bulky goods stores
- ▶ that Council amend Orange LEP 2000 to introduce a new land use definition namely “major discount variety store” which is based on the criteria set out in Section 7.2 of this Report
- ▶ that Council amend Orange LEP 2000 to specify that a “major discount variety store” is only permissible on land zoned 3(c) in Orange and as described in Clause 56 of LEP 2000
- ▶ that Council rezone land currently occupied by Mitre 10 between McLachlan Street and Leeds Parade/Williams Street, Orange to permit bulky goods retailing of up to 3,500 sq.m. (gross leasable area)
- ▶ that Council amend Orange LEP2000 to rezone land at 52-54 Bathurst Road and 27 Eyles Street, Orange to 3(b) Business Services.



1

INTRODUCTION

1.1 Background

This Report has been prepared for Orange City Council (Council) by Leyshon Consulting Pty Ltd. The Report presents the findings of a review of the existing Business Centre Strategy for the City of Orange.

In 1997 Leyshon Consulting undertook preparation of a Business Centre Strategy for Council. Since its preparation, the Strategy has largely influenced Council's decision-making about new retail development in Orange. As will be discussed in more detail in this Report, such development has included a major new bulky goods centre on the eastern fringe of the city.

There are a number of significant issues concerning the future of business centres in Orange which Council will need to address over the next decade. These include:

- ▶ the need to determine the appropriate role, size, timing and location of a new retail centre in the northern part of the city to serve new residential development forecast for this area
- ▶ the need to respond appropriately to a possible restructuring of retailing in the Orange CBD
- ▶ the need to consider new controls with respect to retailing outside defined centres including bulky goods retailing.

The objectives for the current study and the specific study tasks agreed between Council and Leyshon Consulting are set out below.

1.2 Study Brief

The objectives of the study are as follows:

- ▶ to update projections of demand for retail and commercial floorspace in Orange to 2016
- ▶ to identify the requirement for new retail centres in Orange between 2004 and 2016
- ▶ to advise Council on changes that might be required to the current business centre strategy to meet future demands for retail centres and floorspace in Orange to 2016
- ▶ provide advice to Council on changes in the bulky goods retail sector in Australia and the need to amend the existing definition of bulky goods in Orange Local Environmental Plan 2000.

1.3 Study Tasks

To meet the above objectives, the following study tasks are to be undertaken:

- ▶ review the findings of the 1997 study and document relevant changes in retailing in Orange since 1996
- ▶ review population forecasts for the Orange trade area to 2014 and update as required
- ▶ provide updated forecasts of available retail spending and retail floorspace demand for the City of Orange to 2016

- ▶ review the Orange development strategy and estimate the demand for additional retail floorspace in new residential release areas planned for the northern fringe of Orange
- ▶ estimate the need for, and timing of, additional retail and commercial floorspace which should be provided in the North Orange residential release area to cater for population growth forecast up to 2016
- ▶ evaluate alternative sites for a new retail centre in northern Orange and provide recommendations to Council on the appropriate site for a new centre
- ▶ provide advice to Council on the implications of the possible relocation of major tenants currently located in the CBD to a new satellite centre in northern Orange
- ▶ review developments in the bulky goods retail sector and provide advice to Council on any amendments which are required to the definitions in Orange LEP 2000 as far as the definition of bulky goods retailing is concerned
- ▶ provide advice to Council on actions and initiatives which may be required to ensure the ongoing retail vibrancy of the CBD
- ▶ provide advice to Council on specific retail development applications/rezoning applications currently before Council\
- ▶ consult with relevant stakeholders concerning the above issues.

1.4 1997 Study Findings

The principal findings of the report prepared by Leyshon Consulting in 1997 *Orange City Council Development Strategy Study* were as follows:

- ▶ that there was no need to increase areas zoned 3(a) Business within the City of Orange
- ▶ that certain floorspace controls be placed on retail activities in the 3(b) Special Business zone such that no food or clothing-based store within the zone can exceed 400 sq.m. in floorspace and no other retail outlet in the zone can exceed 1,000 sq.m. of floorspace
- ▶ that in relation to the 3(c) Neighbourhood Business zone, no store should exceed 1,500 sq.m. of floorspace and that retail development or centres in the zone should not exceed a total of 2,000 sq.m. of floorspace
- ▶ that Council establishes a new 3(d) Special Retail zone to accommodate large floorspace retail operations principally providing for the retailing of home-related goods. It was further recommended that a minimum floorspace size of 250 sq.m. apply to new retail outlets in the 3(d) zone
- ▶ that the so-called Gateway area at the eastern entrance to the city is an appropriate location for the development of a new 3(d) Special Retail zone to provide for bulky goods retailing
- ▶ that it would be appropriate to prohibit bulky goods retailing in the 4(a) General Industrial zone

- ▶ that provisions relating to bulky goods retailing in the 4(b) Light Industry zone be brought into line with those proposed for the 3(d) Special Retail zone
- ▶ that Council give consideration to the formulation of a Development Control Plan (DCP) to guide development within the CBD core and other relevant zones within the City.

1.5 Changes since 1997

Since 1997 there have been a number of new retail developments of significance—both in the City of Orange and in the region surrounding Orange. Some were foreshadowed in our 1997 report. Others could be described as mooted developments which have the potential to influence retailing in Orange over the next decade.

Within the City of Orange itself the most significant development since 1997 has been the construction of the Orange Homemaker Centre on the so-called Gateway site on the eastern fringe of the city. The Orange Homemaker Centre comprises 17,386 sq.m. and some prominent traders including Bunnings (5,036 sq.m.), The Warehouse (3,180 sq.m.) and Harvey Norman (3,000 sq.m.). A survey conducted by Leyshon Consulting for the owners of the Orange Homemaker Centre in 2002 found the Centre was attracting customers not only from Orange and nearby communities, such as Blayney, but also from further afield including shoppers from Parkes, Condobolin, Wellington and Dubbo.

There have also been some retail changes of significance in the City of Bathurst which lies some 40km to the east of Orange. These include the closure of the Myer department store and the opening of a new retail centre known as Bathurst Central in 1997. Bathurst Central contains 9,498 sq.m. of floorspace and is anchored by a large Coles supermarket

of 5,557 sq.m.. In addition, Harvey Norman has opened a new store at Kelso (some 5km east of Bathurst) in an area which is developing as a bulky goods precinct.

1.6 Mooted Developments

There are a number of mooted developments in the region surrounding Orange which have the potential to influence retailing in the city itself over the next decade.

For example, there are two existing consents for additional bulky goods retailing in the Kelso region which have yet to be activated. These approvals were issued by Bathurst City Council at about the time the Orange Homemaker Centre opened and it is our understanding the success of the Homemaker Centre has lessened the degree of developer interest in constructing significant amounts of new bulky goods retail floorspace in Bathurst.

At present an application for the partial rezoning of land occupied by the former RAAF base is before Dubbo City Council which, if approved, would provide some 18,000 sq.m. of bulky goods retail floorspace including a major Bunnings hardware store.

Since 1997 a new “small format” Kmart discount department store (DDS) of some 4,000 sq.m. has opened in Parkes. It is our understanding that Big W propose to also open a DDS in Parkes.

1.7 Summary

Notwithstanding the mooted developments noted above, it is our opinion that the development of the Orange Homemaker Centre and the closure of the Myer store in Bathurst have each in their own ways, strengthened the role of Orange in the regional retail hierarchy since 1997. There is no prima facie reason why this situation should change in the period up to 2021.

URBAN DEVELOPMENT STRATEGY

In 2004 Council released a report prepared by Parsons Brinkerhoff (hereafter PB study) which outlined an urban development strategy for the City of Orange. The report (*Orange Sustainable Settlement Strategy and Local Environmental Study*) is particularly relevant to a review of the City's business centre strategy in that it provides estimates of population and housing growth and a residential settlement strategy designed to ensure Orange has sufficient residential land to meet anticipated growth up to 2026.

2.1 Demand for Land

The PB study found that between 1998-99 and 2002-03 an average of 226 new residential lots had been approved within the City arising from subdivision applications. During the same period, an annual average of only 109 standard residential lots were actually produced and made available for sale. There is also ongoing production of rural/residential lots in Orange but according to the PB study these are not significant in terms of the City's total supply of residential land.

2.2 Population Projections

To determine the need for new residential settlement areas in Orange, the PB study produced a population forecast for the period 2001-2026. This forecast was based on two population growth scenarios— "medium level" growth of +plus 0.8% per annum and "high level" growth of +1.1% per annum.

PB argued their medium-level growth projections were in line with long-term population growth trends in Orange. Their high-level growth projection meanwhile reflected the level of population increase Orange experienced between 1996 and 2001 (+1.22% per annum according to the Australian Bureau of Statistics [ABS]).

The PB population projections have been reproduced in TABLE 2.1 below. As can be noted from TABLE 2.1, under the medium-level growth projection, the population of the City of Orange increases from 36,999 persons in 2001 to 45,155 in 2026—growth of +8,156 persons. Under the high-level projection, meanwhile, the population is forecast to increase to 48,637 persons in 2026—a rise of +11,638.

As will be discussed in more detail in Section 3 of this Report, we consider both the medium and high-level projections made in the PP study to be too optimistic.

TABLE 2.1
MEDIUM and HIGH LEVEL POPULATION GROWTH
SCENARIOS – CITY of ORANGE, 2001-26 (No. Persons)

Year ...	Medium Projection @ 0.8% pa	High Projection @ 1.1% pa
2001	36,999	36,999
2006	38,503	39,079
2011	40,068	41,276
2016	41,696	43,597
2021	43,391	46,048
2026	45,155	48,637

Source: Parsons Brinkerhoff, 2004.

2.3 Land Bank

The PB study found Orange had a so-called “residential land bank” (that is, land zoned for urban residential purposes but either undeveloped or vacant) in 2004 estimated at 2,595 lots. Under the two population growth scenarios referred to above, Parsons Brinkerhoff concluded that the City’s urban residential land supply could be exhausted within a “10 to 15 year horizon without further rezoning of land to permit urban residential development.” In this regard, the PB study reported that representatives of the local property industry considered a shortage of residential lots would exist when zoned serviced and unserviced lots fell below 1500.

The PB study identified a number of areas in Orange considered suitable for both residential and rural/residential development up to 2026 (FIGURE 2.1 refers). The three areas recommended for new residential development by Parsons Brinkerhoff are those described as LU1, LU2 and LU3 in FIGURE 2.1. All three are located in northern Orange lying generally to the north of the proposed Orange Distributor Road.

2.4 New Centre for Release Area

The PB study also considered the need for a new centre to service population growth in North Orange and concluded that such a centre most appropriately should be located in proposed release area LU1 or LU2. Parsons Brinkerhoff did not express a view as to the appropriate size of the new centre but that:

“The new centre’s size should not be greater than to serve the needs generated by the population growth in the North Orange area”.

The inference being that a centre any larger than that required to meet the needs of residents of North Orange would threaten the economic health and vitality of the Orange CBD.

3

DEMAND ASSESSMENT

3.1 Introduction

For the purposes of this study we have prepared our own updated population projections for Orange as a basis for determining the extent of additional demand for retail floorspace up to 2016.

As is discussed below, our population projections differ from those prepared by Parsons Brinkerhoff in 2002 in that we have adopted a lower average annual population growth rate than that assumed by them.

3.2 Trade Area

Based on our understanding of the retail sector in Orange we have no reason to alter or adjust the boundaries of the Orange trade area identified in our 1997 study. As identified in 1997, the Orange trade area consists of three distinct parts namely:

- ▶ Primary Trade Area (PTA) — City of Orange
- ▶ Secondary Trade Area (STA) — Blayney and Cabonne Statistical Local Areas (SLAs)
- ▶ Tertiary Trade Area (TTA) — Cowra, Parkes, Forbes and Weddin SLAs.

3.3 Demographic Change

TABLE 3.1 provides comparative data on selected demographic attributes of the Orange population in 1991, 1996 and 2001. During the decade 1991-2001, some substantial changes occurred in the key demographic attributes of the population residing in the constituent parts of the trade area. Certain changes were evident in all three parts of the trade area, for instance:

- ▶ **Population Ageing**—the proportion aged 60+ years increased in the PTA from 15.1% in 1991 to 16.4% in 2001. In the STA the increase was 16.9% to 20.3% and in the TTA from 18.9% to 21.0%
- ▶ **Decline in Traditional Households** (couples with dependent children)—in the PTA traditional households fell from 59.1% of all households in 1991 to 52.5% in 2001. In the STA traditional households declined from 63.7% to 55.8% and in the TTA from 59.5% to 51.7%
- ▶ **Declining Size of Average Household**—both population ageing and a declining proportion of traditional households has led to a reduction in the average household size. Between 1991 and 2001, for example, in the PTA the average household size fell from 2.79 persons per dwelling to 2.59 persons per dwelling. In the STA the decline was from 2.82 to 2.62 and in the TTA from 2.72 to 2.55 persons per dwelling.

In relation to the latter issue, detailed household expenditure studies undertaken by the ABS have found that both average household and per capita retail spending levels fall significantly as households age and where households do not contain dependent children. If the three trends discussed above continue over the next one to two decades, then

it is to be expected that real growth in retail spending in the Orange trade area will not be as strong as it otherwise might have been.

One demographic trend which will have been to the benefit of retail spending in the trade area has been the decline in the unemployment rate since 1991. In the PTA, for instance, the unemployment rate has fallen from 11.0% in 1991 to 7.3% in 2001. In the STA unemployment has declined from 9.7% in 1991 to 5.6% in 2001 while in the TTA the decline was very substantial from 12.7% in 1991 to 7.3% in 2001.

TABLE 3.1
KEY DEMOGRAPHIC CHARACTERISTICS of ORANGE TRADE AREA POPULATION, 1991, 1996 and 2001

Factor ...	PTA			STA			TTA		
	1991	1996	2001	1991	1996	2001	1991	1996	2001
Count (No. Persons)	32,815	33,913	35,446	17,699	17,922	17,980	40,270	41,064	40,197
Age Profile									
0-9	16.9	15.9	15.5	17.0	15.9	15.0	16.5	15.9	15.3
10-19	17.4	16.4	16.0	15.5	15.1	15.1	15.7	15.1	14.7
20-29	14.6	13.9	13.2	11.3	9.8	8.8	12.2	11.5	9.9
30-39	15.0	14.7	14.1	14.5	14.4	13.1	14.0	13.9	13.0
40-49	12.4	13.7	13.9	14.0	14.5	14.4	12.4	13.5	13.8
50-59	8.7	9.4	11.0	10.8	12.1	13.2	10.2	10.9	12.4
60+	15.1	16.0	16.4	16.9	18.2	20.3	18.9	19.2	21.0
Household Structure									
Couples & Children	59.1	54.7	52.5	63.7	59.1	55.8	59.5	55.6	51.7
Couples Only	15.9	17.8	18.6	17.8	20.5	22.5	18.9	20.7	22.3
Single Parents	11.7	12.5	13.0	7.5	8.2	8.9	9.4	9.5	10.9
Other	1.0	0.9	0.9	1.3	0.8	0.6	1.1	0.9	0.8
Total One Family	87.7	85.9	85.1	90.2	88.6	87.9	88.9	86.7	85.7
Multi-Family Households	0.7	1.4	1.3	0.6	1.4	1.4	0.6	1.2	1.2
Total Family	88.3	87.3	86.3	90.8	90.0	89.2	89.5	87.9	86.8
Non-Family Households									
Lone Person	8.1	9.5	10.8	7.6	8.5	9.4	8.6	10.3	11.4
Group	3.6	3.2	2.9	1.6	1.6	1.4	1.9	1.8	1.8
Total Non-Family	11.7	12.7	13.7	9.2	10.1	10.8	10.5	12.1	13.2

TABLE 3.1
KEY DEMOGRAPHIC CHARACTERISTICS of ORANGE TRADE AREA POPULATION, 1991, 1996 and 2001

Factor ...	PTA			STA			TTA		
	1991	1996	2001	1991	1996	2001	1991	1996	2001
Average Household Size (persons/dwelling)	2.79	2.65	2.59	2.82	2.71	2.62	2.72	2.60	2.53
Occupation									
Managers and Administrators	8.0	6.7	6.9	25.0	21.1	20.8	21.2	18.7	18.6
Professionals	13.7	16.1	16.4	10.3	12.1	12.1	10.2	11.9	11.9
Associate Professionals	7.5	10.8	11.3	5.7	8.4	9.4	6.9	10.1	10.2
Tradespersons and Related Workers	14.4	12.6	12.4	12.2	11.8	12.2	12.7	12.8	12.7
Advanced Clerical Sales and Service Workers	5.9	3.8	3.3	4.0	3.4	3.1	4.5	3.2	3.3
Intermediate Clerical Sales and Service Workers	11.7	16.6	16.0	7.5	10.7	11.3	8.7	11.7	12.2
Intermediate Production and Transport Workers	8.2	8.3	9.0	7.6	8.5	8.3	7.6	9.0	8.4
Elementary Clerical Sales and Service Workers	12.3	9.7	10.2	6.6	5.5	6.2	9.2	7.3	7.8
Labourers and Related Workers	12.7	12.9	12.8	14.6	15.3	14.6	12.9	12.3	12.8
Inadequately Described	1.0	0.9	0.8	0.9	0.9	0.6	0.7	0.6	0.6
Not Stated	4.8	1.6	1.1	5.5	2.3	1.5	5.4	2.4	1.7
Unemployment Rate	11.0	8.2	7.3	9.7	7.4	5.6	12.7	9.6	7.3

Source: ABS Census 1991, 1996 & 2001.

3.4 Past Population Growth

We have examined past population growth trends in the City of Orange and the Orange trade area as a guide to possible future growth. Since 1996 there have been some significant changes in the rate of population growth in the constituent parts of the trade area but particularly since 2001. TABLE 3.2 summarises the change in the estimated resident

population (ERP) in the trade area between 1996 and 2003 as published by the ABS.

TABLE 3.2
POPULATION GROWTH – ORANGE TRADE AREA, 1996-2003

Trade Area ...	1996	2001	AAG	2003 ^(p)	AAG
			1996-2001		2001-03
PTA	34,828	36,999	+1.22	37,526	+0.47
STA	18,664	19,077	+0.44	19,290	+0.37
TTA	41,995	42,141	+0.07	42,093	-0.02
Total	95,487	98,217	+0.56	98,909	+0.89

Note: (p) = preliminary

Source: ABS 1996-2003.

Up to 2001, the trade area as a whole experienced population growth of +0.56% per annum—largely the result of a high rate of population growth in the PTA. During the intercensal period 1996-2001 specifically, the average annual growth rate (AAG) in the PTA was a comparatively high +1.22%. Between 2001-03, however, the ABS estimates the AAG in the PTA declined to just +0.47% per annum. A possible explanation for the markedly stronger growth between 1996 and 2001 may have been the establishment of the Cadia Gold Mine which likely stimulated population growth and economic activity in the PTA in the years immediately following 1996.

In the STA, the population increased by +626 persons from 18,664 in 1996 to 19,290 in 2003. According to the ABS, the AAG during the intercensal period was +0.44% falling marginally to +0.37% between 2001-03.

In the TTA, the population increase was just +146 persons between 1996 and 2001. During this period the AAG was +0.07% according to the ABS. Between 2001-03, the ABS estimates the TTA population fell marginally from 42,141 persons to 42,093 persons. The estimated AAG

during this period according to the ABS was a negative -0.02% per annum.

In our opinion, the slow-down in the official rate of population growth in the PTA between 2001-03 calls into question the population growth rates (ranging between +0.8% and +1.1% per annum) assumed by Parsons Brinkerhoff in preparing their population forecast for the period 2001 to 2026.

3.5 Future Population Growth Projections

For the purposes of this study, we have prepared revised population growth projections for Orange (TABLE 3.3 refers). In summary, we estimate the overall trade area population will increase from 99,301 persons in 2004 to 101,827 by 2016—a rise of +2,526 persons. As can be noted from TABLE 3.3, almost all of this growth will occur in the PTA (+2,736 persons) and offset by losses forecast for the TTA (979 persons).

TABLE 3.3
FORECAST POPULATION GROWTH – ORANGE TRADE AREA, 2001-16

Factor ...	2001	2004	2006	2011	2016	Change 2004-16
PTA						
Population (No.)	36,999	37,857	38,350	39,515	40,593	2,736
Growth (No.)		858	494	1,164	1,078	
AAG (%)		0.57	0.65	0.60	0.54	
STA						
Population (No.)	19,077	19,347	19,502	19,816	20,115	768
Growth (No.)		270	155	314	299	
AAG (%)		0.35	0.40	0.32	0.30	

TABLE 3.3
FORECAST POPULATION GROWTH – ORANGE TRADE AREA, 2001-16

Factor ...	2001	2004	2006	2011	2016	Change 2004-16
TTA						
Population (No.)	42,141	42,097	41,845	41,480	41,118	(979)
Growth (No.)		(44)	(252)	(365)	(362)	
AAG (%)		-0.50	-0.29	-0.17	-0.18	
TOTAL						
Population (No.)	98,217	99,301	99,697	100,811	101,827	2,526
Growth (No.)		1,084	397	1,114	1,016	
AAG (%)		0.27	0.20	0.22	0.20	

Source: Leyshon Consulting Forecasts, March 2005.

3.6 Available Retail Spending Growth

Estimates have been prepared of total available retail spending in the Orange trade area for the period 2004-16 (TABLES 3.4 to and 3.7 refer).

In summary, as can be noted from TABLE 3.4, total available retail spending in the trade area in 2004 is estimated at \$728.5 million per annum (\$2004). For the PTA specifically, total available spending is estimated at \$297.5 million (\$2004).

By 2016, as a consequence of modest population growth, total available annual spending in the trade area is projected to rise to \$843.6 million, an increase of +\$115.1 million (\$2004) over its 2004 level.

By 2016 we project total available spending in the PTA to have grown to some \$359.4 million per annum—an increase of +\$61.9 million per annum (\$2004).

Although representing relatively modest real growth, this rise in available retail spending will underpin to an increase in the demand for retail floorspace within the Orange trade area. This issue is discussed below.

TABLE 3.4
ESTIMATED AVAILABLE RETAIL SPENDING – ORANGE TRADE AREA, 2004 (\$2004)

Factor ...	PTA	STA	TTA	Total Trade Area	North Orange
Population	37,857	19,347	42,097	99,301	6,664
Average Spending (\$ per capita)	\$7,858	\$7,169	\$6,944	\$7,336	\$7,463
Total Available Retail Spending (\$ Mil. p.a.)	\$297.5	\$138.7	\$292.3	\$728.5	\$49.7
Spending by Category (\$ Mil.)					
Food/Groceries	\$95.6	\$44.8	\$92.9	\$233.2	\$16.3
Food Out	\$31.8	\$14.8	\$30.3	\$76.9	\$5.8
Alcohol (Off License)	\$11.1	\$5.2	\$10.8	\$27.1	\$1.9
Tobacco	\$11.2	\$5.2	\$11.5	\$28.0	\$1.6
Clothing and Accessories	\$29.3	\$13.6	\$27.2	\$70.1	\$5.7
Household Furnishings and Equipment	\$38.9	\$18.1	\$38.6	\$95.6	\$6.3
Household Non Durables	\$10.8	\$5.0	\$10.7	\$26.5	\$1.8
Medical/Pharmacy	\$6.7	\$3.1	\$7.5	\$17.3	\$0.7
Vehicle Accessories	\$7.3	\$3.4	\$7.4	\$18.2	\$1.1
Recreation	\$37.4	\$17.4	\$36.9	\$91.7	\$6.2
Personal Care	\$10.3	\$4.8	\$11.6	\$26.6	\$1.0
Miscellaneous Goods and Services	\$7.1	\$3.3	\$6.9	\$17.3	\$1.3
Total Retail Spending	\$297.5	\$138.7	\$292.3	\$728.5	\$49.7
Supermarket	\$95.2	\$44.4	\$93.5	\$233.1	\$15.9

Source: Leyshon Consulting Estimates, March 2005.

TABLE 3.5**ESTIMATED AVAILABLE RETAIL SPENDING – ORANGE TRADE AREA, 2006** (\$2004)

Factor ...	PTA	STA	TTA	Total Trade Area	North Orange
Population	38,350	19,502	41,845	99,697	7,212
Average Spending (\$ per capita)	\$8,016	\$7,313	\$7,083	\$7,487	\$7,613
Total Available Retail Spending (\$ Mil. p.a.)	\$307.4	\$142.6	\$296.4	\$746.4	\$54.9
Spending by Category (\$ Mil.)					
Food/Groceries	\$98.7	\$45.9	\$94.2	\$238.9	\$18.2
Food Out	\$32.9	\$15.3	\$30.7	\$78.8	\$6.4
Alcohol (Off License)	\$11.5	\$5.3	\$11.0	\$27.7	\$2.1
Tobacco	\$11.6	\$5.4	\$11.7	\$28.7	\$1.8
Clothing and Accessories	\$30.2	\$14.0	\$27.6	\$71.8	\$6.3
Household Furnishings and Equipment	\$40.2	\$18.6	\$39.2	\$98.0	\$7.0
Household Non Durables	\$11.2	\$5.2	\$10.8	\$27.2	\$2.0
Medical/Pharmacy	\$6.9	\$3.2	\$7.6	\$17.7	\$0.7
Vehicle Accessories	\$7.6	\$3.5	\$7.5	\$18.6	\$1.2
Recreation	\$38.6	\$17.9	\$37.4	\$94.0	\$6.8
Personal Care	\$10.6	\$4.9	\$11.7	\$27.3	\$1.0
Miscellaneous Goods and Services	\$7.4	\$3.4	\$7.0	\$17.7	\$1.4
Total Retail Spending	\$307.4	\$142.6	\$296.4	\$746.4	\$54.9
Supermarket	\$98.4	\$45.6	\$94.8	\$238.9	\$17.6

Source: Leyshon Consulting Estimates, March 2005.

TABLE 3.6**ESTIMATED AVAILABLE RETAIL SPENDING – ORANGE TRADE AREA, 2011** (\$2004)

Factor ...	PTA	STA	TTA	Total Trade Area	North Orange
Population	39,515	19,816	41,480	100,811	11,589
Average Spending (\$ per capita)	\$8,425	\$7,687	\$7,444	\$7,876	\$8,001
Total Available Retail Spending (\$ Mil. p.a.)	\$332.9	\$152.3	\$308.8	\$794.0	\$92.7
Spending by Category (\$ Mil.)					
Food/Groceries	\$107.0	\$49.0	\$98.3	\$254.1	\$30.7
Food Out	\$35.6	\$16.3	\$32.0	\$83.9	\$10.9
Alcohol (Off License)	\$12.4	\$5.7	\$11.4	\$29.5	\$3.6
Tobacco	\$12.6	\$5.7	\$12.2	\$30.5	\$3.0
Clothing and Accessories	\$32.7	\$15.0	\$28.7	\$76.4	\$10.6
Household Furnishings and Equipment	\$43.5	\$19.9	\$40.8	\$104.2	\$11.7
Household Non Durables	\$12.1	\$5.5	\$11.3	\$28.9	\$3.3
Medical/Pharmacy	\$7.5	\$3.4	\$7.9	\$18.9	\$1.2
Vehicle Accessories	\$8.2	\$3.8	\$7.8	\$19.8	\$2.1
Recreation	\$41.8	\$19.1	\$39.0	\$99.9	\$11.5
Personal Care	\$11.5	\$5.3	\$12.2	\$29.0	\$1.8
Miscellaneous Goods and Services	\$8.0	\$3.6	\$7.2	\$18.9	\$2.3
Total Retail Spending	\$332.9	\$152.3	\$308.8	\$794.0	\$92.7
Supermarket	\$106.5	\$48.7	\$98.8	\$254.1	\$29.7

Source: Leyshon Consulting Estimates, March 2005.

TABLE 3.7**ESTIMATED AVAILABLE RETAIL SPENDING – ORANGE TRADE AREA, 2016** (\$2004)

Factor ...	PTA	STA	TTA	Total Trade Area	North Orange
Population	40,593	20,115	41,118	101,827	18,155
Average Spending (\$ per capita)	\$8,854	\$8,079	\$7,824	\$8,285	\$8,409
Total Available Retail Spending (\$ Mil. p.a.)	\$359.4	\$162.5	\$321.7	\$843.6	\$152.7
Spending by Category (\$ Mil.)					
Food/Groceries	\$115.4	\$52.2	\$102.2	\$270.1	\$50.5
Food Out	\$38.4	\$17.4	\$33.3	\$89.1	\$17.9
Alcohol (Off License)	\$13.4	\$6.1	\$11.9	\$31.4	\$5.9
Tobacco	\$13.6	\$6.1	\$12.7	\$32.4	\$5.0
Clothing and Accessories	\$35.3	\$16.0	\$29.9	\$81.2	\$17.5
Household Furnishings and Equipment	\$47.0	\$21.2	\$42.5	\$110.7	\$19.3
Household Non Durables	\$13.1	\$5.9	\$11.8	\$30.7	\$5.5
Medical/Pharmacy	\$8.1	\$3.7	\$8.3	\$20.0	\$2.0
Vehicle Accessories	\$8.9	\$4.0	\$8.2	\$21.0	\$3.4
Recreation	\$45.2	\$20.4	\$40.6	\$106.2	\$18.9
Personal Care	\$12.4	\$5.6	\$12.7	\$30.8	\$2.9
Miscellaneous Goods and Services	\$8.6	\$3.9	\$7.6	\$20.0	\$3.9
Total Retail Spending	\$359.4	\$162.5	\$321.7	\$843.6	\$152.7
Supermarket	\$115.0	\$52.0	\$103.0	\$270.0	\$48.9

Source: Leyshon Consulting Estimates, March 2005.

3.7 Floorspace Demand

The likely demand for additional retail floorspace in the Orange trade area between 2004-16 has been estimated. This estimate takes account of the projected growth in available retail spending discussed in Section 3.5 above. It also assumes an average retail sales rate of \$4500 per sq.m. per annum during the forecast period. This rate is considered

appropriate given that average sales rates in particular retail sub-sectors vary from less than \$2500 per sq.m. per annum for certain bulky goods uses to in excess of \$8,000 per sq.m. per annum for contemporary full-line supermarkets.

In summary, demand for additional retail floorspace by trade area sector between 2004-16 is estimated to be as follows:

▶	PTA	...	13,768 sq.m.
▶	STA	...	5,288
▶	TTA	...	6,536
▶	Total	...	25,593.

In reality, the demand for additional retail floorspace will be somewhat less than the theoretical estimates detailed above. The primary reason being that notwithstanding the range and quality of retail services provided in the Orange trade area there will always be some level of “escape spending” flowing to Sydney (and other centres) as well as retail spending directed to mail-order and the Internet shopping.

4

RETAIL NEEDS – NORTH ORANGE

4.1 Introduction

An important focus of this study is to determine the appropriate retail provision for North Orange arising from new residential settlement in this area. As discussed earlier in this Report, new residential release areas for Orange were identified in the PB study. In practice, any new retail centre proposed for North Orange will serve not only the new release areas but also existing residential areas such as the suburb of Bletchington, rural/residential areas on the north and north-west outskirts of the city and existing suburban areas near the intersection of the Mitchell Highway and Burrendong Way.

The purpose of this section of the Report is to assess the likely long-term level of demand for a new retail centre in North Orange. The area referred to as North Orange is depicted in FIGURE 4.1.

4.2 Forecast Population

At the 2001 Census, the North Orange area contained a population of 5,598 persons. According to the PB study the remaining lot capacity of Bletchington was some 800 lots in 2004 while 880 lots were identified as remaining in the area known as Ploughmans Valley. Both of these areas form part of the defined North Orange area.

Based on an average household occupancy rate of around 3.0 persons per dwelling, the remaining lot capacity in these two areas could

produce an additional residential population of +5,040 persons for North Orange once the area is fully developed.

The assumed long-term residential capacity of the areas identified as LU1, LU 2 and LU 3 were not calculated in detail in the PB study. In part, this doubtless would have been due to the ultimate lot yield from these areas being unknown because of unresolved environmental issues.

The PB study did, however, indicate that the capacity of these areas could be in the order of 2,000 lots. Again, assuming an average dwelling occupancy rate of 3.0 persons per dwelling, this additional lot capacity could add a further +6,000 persons to the residential population of North Orange at full development.

4.3 Demographic Characteristics

In determining the long-term requirement for retail floorspace in North Orange it is important to have regard to the likely demographic characteristics of the population that will reside in the area. This is principally because the demography of a given population contributes to the level (and nature) of demand for retail and other services.

What is immediately clear from an examination of 2001 Census data is that existing residents of the North Orange area have demographic characteristics quite different from those of the residents of the City of Orange as a whole (TABLE 4.1 refers).

TABLE 4.1
COMPARISON of SELECTED DEMOGRAPHIC CHARACTERISTICS – ORANGE
TRADE AREA 2001 (% Population)

Characteristic ...	PTA	Bletchington	North Orange
Population Count, 2001 (No. Persons)	35,446	2,014	5,598
Age Structure			
0-9 years	15.5	24.0	19.1
10-19	16.0	11.1	17.6
20-29	13.2	18.2	14.3
30-39	14.1	22.0	17.5
40-49	13.9	11.8	14.7
50-59	11.0	6.5	8.5
60+	16.3	6.4	8.3
Household Structure			
Couples & Children	52.5	49.0	50.7
Couples Only	18.6	27.9	24.5
Single Parents	13.0	8.9	8.7
Other	2.2	0.5	0.5
Total Family	86.3	86.3	84.4
Non-Family Households			
Lone Person	10.8	10.9	12.9
Group	2.9	2.8	2.7
Total Non-Family	13.7	13.7	15.6
Average Household Size (persons/dwelling)	2.59	3.02	3.04
Occupational Structure			
Managers & Administrators	6.9	6.3	6.9
Professionals	16.4	15.6	15.7
Associate Professionals	11.3	15.1	12.9
Tradespersons & Related	12.4	12.6	13.2
Advanced Clerical/Sales/Service	3.3	4.0	4.3
Intermediate Clerical/Sales/Service	16.0	18.1	17.9
Intermediate Production & Transport	9.0	8.5	8.9
Elementary Clerical/Sales/Service	10.2	10.7	10.3
Labourers & Related	12.8	8.8	8.4
Inadequately Described	0.8	0.3	1.0
Not Stated	1.1	0.0	0.5
Unemployment Rate	7.3	3.2	3.8

TABLE 4.1
COMPARISON of SELECTED DEMOGRAPHIC CHARACTERISTICS – ORANGE
TRADE AREA 2001 (% Population)

Characteristic ...	PTA	Bletchington	North Orange
Annual Household Income (\$2001)			
Nil/Negative	0.5	0.5	0.6
\$0-\$10,384	5.0	1.0	2.0
\$10,385-\$15,584	10.0	1.7	2.7
\$15,585-\$20,784	10.0	3.5	5.0
\$20,785-\$25,948	8.3	4.3	5.6
\$25,950-\$31,148	6.5	5.0	4.4
\$31,149-\$36,348	6.7	6.8	6.5
\$36,349-\$41,548	5.6	4.7	5.4
\$41,549-\$51,948	10.7	13.6	11.5
\$51,949-\$62,348	9.8	12.0	11.5
\$62,349-\$77,948	9.5	18.1	16.1
\$77,949-\$103,948	10.6	18.8	18.5
Above \$103,948	6.8	10.0	10.2
Average Annual Household Income (\$2001)	\$47,369	\$63,097	\$61,230

Source: ABS Census, 2001.

For the purposes of determining the likely future demography of the North Orange area, the demographic attributes of the population in the PTA (City of Orange) and the area defined as North Orange as well as the suburbs of Bletchington have been compared. Bletchington has been included on the basis that it is the most recently settled suburb within the North Orange area.

In general, as discussed below, North Orange and Bletchington have similar demographic characteristics. The key differences between North Orange/Bletchington and Orange as a whole are summarised below.

Age Structure

North Orange and Bletchington have a much younger age profile than Orange as a whole with an above average proportion of residents aged

0-9 years in 2001, an above average proportion aged 20-39 years and far fewer residents aged 60+ years.

Household Structure

In 2001, North Orange and Bletchington had a greater incidence of couple only households and fewer single parent households than did Orange as a whole. Average household occupancy rates were 3.02 and 3.04 persons per dwelling in Bletchington and North Orange respectively compared with 2.59 persons per dwelling in Orange as a whole.

Occupational Structure

There were far fewer unskilled workers in North Orange/Bletchington than in Orange as a whole but beyond that the occupational structure of the three areas was very similar.

Income

Average annual household incomes differed markedly between North Orange/Bletchington and Orange as a whole in 2001. The estimated average annual household income (\$2001) in Bletchington was \$63,097 (+33.2% above average) in 2001, \$61,230 per household in North Orange (+29.2% above average), and \$47,369 in Orange as a whole.

Despite the prevalence of higher-than-average mortgage payments compared with the balance of the City of Orange, households in North Orange/Bletchington enjoy considerably greater “purchasing power” when it comes to retail goods and services. Accordingly, it is important to assess the future demand for retail floorspace in North Orange on the basis of estimated per capita retail spending in North Orange specifically rather than the per capita spending applying to the City as a whole.

4.4 Demand Estimate

Estimates have been prepared of the likely growth in population and available retail spending in the defined North Orange area from 2004 to full development. In relation to these estimates, it must be recognised there are a number of significant uncertainties which will undoubtedly have some influence such as the ultimate lot yield in the area, the exact nature of housing development which occurs, and the rate of development which will be achieved. In relation to the latter issue, we have assumed that as the area will become the primary location for new detached housing in the City, it may sustain an average rate of new housing development of 120 dwellings per annum over the forecast period. This assumption has been made by reference to the fact that, on average, 150-160 new detached dwellings have been approved in Orange City as a whole on an annual basis since the mid-1990s.

As indicated in TABLE 4.2, we estimate the population of North Orange could increase from 6,664 persons in 2004 as follows:

►	2011	...	9,184 persons
►	2021	...	12,784
►	Ultimate	...	18,155.

As also indicated in TABLE 4.2, total available retail spending is estimated to increase from \$49.7 million per annum in 2004 (\$2004) as follows:

►	2011	...	\$68.5 million
►	2021	...	\$95.4
►	Ultimate	...	\$135.5.

TABLE 4.2
ESTIMATED GROWTH in POPULATION and AVAILABLE RETAIL
SPENDING – NORTH ORANGE, 2004-21 (\$2004)

Factor ...	2004	2011	2021	Ultimate
Population	6,664	9,184	12,784	18,155
Average Per Capita Retail Spending (\$ p.a.)	\$7,463	\$7,463	\$7,463	\$7,463
Total Available Retail Spending (\$ Mil. p.a.)	\$49.7	\$68.5	\$95.4	\$135.5
Total Available Supermarket Spending (\$ Mil. p.a.)	\$15.9	\$21.9	\$30.5	\$43.4
Total Available Department Store/DDS Spending (\$ Mil. p.a.)	\$4.5	\$6.2	\$8.6	\$12.2

Source: Leyshon Consulting Estimates, March 2005.

It should be noted that these estimates exclude any allowance for real spending growth which could be up to +1.5% per annum. The reason for this exclusion is primarily the degree of uncertainty surrounding the time-frame for development of the area. Consequently, the analysis shown in TABLE 4.2 may actually somewhat understate the overall growth in available retail spending.

TABLE 4.2 also provides an estimate of the growth in available supermarket spending between 2004-21. This variable is critical because a supermarket will, in all likelihood, form the anchor tenant of any new retail centre developed in North Orange. In summary, total available supermarket spending (\$2004) is projected to increase as follows:

►	2004	...	\$15.9 million
►	2011	...	\$21.9
►	2021	..	\$30.5
►	Ultimate	...	\$43.4.

TABLE 4.2 also details the estimated growth in total available department store/DDS spending during the forecast period. In summary,

annual available spending in this category is forecast to increase from \$4.5 million to \$12.2 million (\$2004) by the time the area is fully developed.

4.5 Demand for Local Retail Facilities

With reference to the spending estimates discussed above, we have also analysed the potential demand for a new retail centre in North Orange in terms of its potential sales and floorspace (TABLE 4.3 refers).

As indicated in TABLE 4.3, we estimate potential annual sales of a new centre developed in North Orange could increase from in the order of \$17.7 million in 2004 to \$44.1 million (\$2004) when the area is fully developed. The growth in supermarket spending meanwhile is forecast to be as follows:

►	2004	...	\$15.1 million
►	2011	...	\$18.6
►	2021	...	\$25.9
►	Ultimate	...	\$36.9.

These sales estimates have been converted into an estimate of the retail floorspace which would be supportable in such a centre. This analysis has assumed an average sales rate of \$8,000 per sq.m. per annum for supermarket space and \$5,000 per sq.m. for specialty retail floorspace.

TABLE 4.3
ESTIMATED DEMAND for RETAIL FACILITIES – NORTH ORANGE 2004,
2011, 2021 and at FULL DEVELOPMENT (\$2004)

Factor ...	2004	2011	2021	Full Development
Total Available Supermarket Spending (\$ Mil. p.a.)	\$15.9	\$21.9	\$30.5	\$43.4
Estimated Market Share (%)	85.0	85.0	85.0	85.0
Sales Captured from Residents (\$ Mil. p.a.)	\$13.5	\$18.6	\$25.9	\$36.9
Non Trade Area Sales (%)	12.0	12.0	12.0	12.0
Non Trade Area Sales (\$ Mil. p.a.)	\$1.6	\$2.2	\$3.1	\$4.4
Total Forecast Supermarket Sales (\$ Mil. p.a.)	\$15.1	\$20.8	\$29.0	\$41.3
Other Retail Spending (\$ Mil. p.a.)	\$33.8	\$46.6	\$64.9	\$92.1
Estimated Market Share (%)	7.5	7.5	7.5	7.5
Sales Captured (\$ Mil.)	\$2.5	\$3.5	\$4.9	\$6.9
Non Trade Area Sales (%)	5.0	5.0	5.0	5.0
Non Trade Area Sales (\$ Mil. p.a.)	\$0.1	\$0.2	\$0.2	\$0.3
Total Forecast Other Retail Sales (\$ Mil. p.a.)	\$2.6	\$3.7	\$5.1	\$7.2
Total Centre Sales (\$ Mil.)				
Supermarket	\$15.1	\$18.6	\$25.9	\$36.9
Other Retail	\$2.6	\$3.7	\$5.1	\$7.2
Total Centre Sales	\$17.7	\$22.3	\$31.0	\$44.1
Total Centre Floorspace (Retail Sq.M.)				
Supermarket	1,892	2,327	3,241	4,611
Other Retail	532	734	1,022	1,451
Total Centre	2,424	3,061	4,263	6,062

Source: Leyshon Consulting Estimates, March 2005.

As indicated in TABLE 4.3, the total demand for supermarket floorspace in North Orange is projected to increase as follows:

►	2004	...	1,892 sq.m.
►	2011	...	2,327
►	2021	...	3,241
►	Ultimate	...	4,611.

The level of supportable “other” (specialty) retail floorspace is meanwhile estimated to increase from 532 sq.m. in 2004 to 1,451 sq.m. when the area is fully developed.

In summary, the conclusions we draw from the analysis set out above are as follows:

- ▶ that by 2011 a full-line supermarket (of about 2,500 sq.m.) would be viable in the North Orange area supported by about 532 sq.m. of specialty retail space—broadly equivalent to 10-12 shops
- ▶ that such a centre would support approximately a further 200 sq.m. of non-retail floorspace—for instance, commercial tenancies like a real estate agent, medical practice and the like
- ▶ that by the time the North Orange area is fully developed, it could support two full-line supermarkets or, alternatively, redevelopment of the original centre could occur so as to provide a major full-line supermarket of at least 3,500 sq.m.
- ▶ that the North Orange area, even at full development, will not generate sufficient demand itself to support a full-line DDS. It nonetheless may be possible that the area (in its own right) could support a DDS from about 2021 onwards if it took the form of a smaller store module like those now being developed by Kmart, Big W and Target specifically for non-metropolitan areas. Such stores generally comprise <5,000 sq.m. GLA.

Council should appreciate that if proposals are advanced to develop a DDS in North Orange in the short term (that is, before 2011), it would result in a significant transfer of sales currently achieved by DDSs in the CBD to the proposed centre given that the CBD is the location of such

stores at present. In our opinion, consent should not be given to development of a DDS in the North Orange area prior to 2011. It would be appropriate for Council to review the requirement for such a store in North Orange after 2011.

5

LOCATION of NEW CENTRE

5.1 Introduction

The purpose of this section of the Report is to review the locational options for a new centre in North Orange. In preparing this assessment Leyshon Consulting has held a series of discussions with organisations which are either the owners of significant parcels of land in the broad North Orange release area or have a development interest in a particular site in North Orange.

Four specific sites have been considered as a potential location for a new centre. These are:

- ▶ Site A ... corner of the Mitchell Highway and Murphys Lane
- ▶ Site B ... Distributor Road West site
- ▶ Site C ... Waratah Park site
- ▶ Site D ... Leeds Parade site.

The approximate locations of the four sites are shown in FIGURE 5.1. Our observations on the merits of each of these sites are discussed below.

5.2 Site A – Mitchell Highway

Site A comprises a very large area of some 21 hectares and is located on the western side of the Mitchell Highway near its intersection with

Murphys Lane. The site has a frontage of some 630 metres to the Mitchell Highway and some 600 metres to Murphys Lane. The site is in one ownership and is currently zoned Rural. Site A is immediately adjacent to the urban release areas identified as LU2 and LU3. To the west of Site A lie precincts LU4 and LU5 which also have been identified for future urban development.

Topographically, Site A falls from Murphys Lane towards the Mitchell Highway and the applicants indicate that a large area for retail development could be created using a “cut and fill” construction technique. The site is clearly capable of accommodating the likely retail requirements of North Orange into the foreseeable future. The applicants indicate the site would also have the capacity to accommodate other retail floorspace uses not strictly serving North Orange but the City as a whole including automotive services, bulky goods retailing and the like.

5.3 Site B – Distributor Road West

The Distributor Road West site is located on the northern side of the North Orange distributor opposite the intersection of Kearneys Drive and the Distributor. It comprises an area of about eight hectares and is zoned Rural. The proponents of development on this site (Woolworths) indicate it is capable of accommodating a subregional-scale shopping centre anchored by a Big W DDS and a full-line Woolworths supermarket together with supporting specialties. The site is also considered capable of accommodating parking for approximately 700 cars.

Woolworths’ representatives also indicated they intend to retain their existing Big W store in the Orange CBD and propose to open a second store in North Orange.

5.4 Site C – Waratah Park Site

Site C is located on the northern side of the Orange Distributor adjacent to the Waratah Sports Ground and is zoned Rural. The site comprises some five hectares. Discussions with the applicant indicate the site could accommodate a DDS-based centre and parking for at least 500 cars. It is understood the applicant is holding discussions with the Waratah Club regarding issues such as a common access from the Distributor to both the proposed shopping centre and the sports ground, the sharing of parking facilities and the like.

5.5 Site D – Leeds Parade

Site D is located near the intersection of Leeds Parade and the Distributor. The site is currently zoned Industrial and comprises some 12.1 hectares.

Discussions with the applicant indicate planning for retail development on the site is not yet well advanced. Clearly, however, a site of this size would be able to cater for the identified long-term retail needs of North Orange.

The applicant has indicated that, as a consequence of its geography, any retail development on the site would not be visually intrusive and that this is considered to be a major favourable attribute of the site.

5.6 Other Sites

In addition to the sites identified by developers, the Orange Sustainable Settlement Strategy also nominated three potential sites for a new centre

in North Orange. None of these sites have been put forward by those with development interests, however.

The three sites are shown in FIGURE 2.1. As can be noted from FIGURE 2.1, two of the sites are located in the Ploughmans Creek area while the third is located close to the intersection of Burrendong Way and the North Orange Distributor. In the analysis presented in this Report, these sites are referred to as follows:

- ▶ Site E – North Orange Distributor/Burrendong Way
- ▶ Site F – North Orange Distributor/Mitchell Highway
- ▶ Site G – Mitchell Highway.

It is our understanding the three sites have not been identified on a cadastral basis and so little is known about the size of individual land parcels and current property ownership patterns.

Site E near the intersection of Burrendong Way and the North Orange Distributor is well-located to serve development areas LU1 and LU2. In our opinion, the site would have similar advantages to sites B and C discussed previously.

Site F is located near the intersection of the North Orange Distributor and the Mitchell Highway. Site F is highly accessible to urban release areas LU2 and LU3 as well as the Broken Shaft Creek area (LU4) to the west. Site F would also be accessible to the regional population residing to the north of Orange.

Site G fronts the Mitchell Highway and is almost directly opposite Site A. It is likely to have the same advantages as Site A in terms of servicing the

urban release areas LU2 and LU3 and the regional population lying to the north of Orange.

5.7 Site Evaluation

All of the subject sites discussed above could provide for the potential long-term retail requirements of North Orange which include a DDS, supermarket and supporting specialty shops. In addition, all sites have a high degree of accessibility by virtue of their location either on the North Orange Distributor or in the case of Sites A and G their frontage to the Mitchell Highway, just to the north of where the Distributor meets the Mitchell Highway.

In our opinion, important criteria for deciding on the appropriate location for a new centre to serve North Orange include the site's centrality to the proposed residential release area and its potential synergy with existing facilities. Also important is whether development of the site could act as a focus for the new residential community which will emerge in North Orange.

In this regard, we consider the Distributor sites B and C have some distinct advantages over the other five sites. Both Sites B and C are quite central to the broad expanse of residential release areas in North Orange and are relatively proximate to existing or planned facilities including the Botanic Gardens, proposed high school, proposed primary school and playing fields. Site E is also relatively central to planned residential release areas but is less proximate to planned community/recreational facilities than sites B and C.

Sites A and G have some particular advantages in terms of serving a regional market as they are well located to attract traffic from the north of Orange and from areas to the west of Orange via Forbes Road. In the

longer term Sites A and G are well located in terms of servicing development on the western side of the Mitchell Highway in precincts LU3, LU4 and, to a lesser extent, LU5.

In our opinion, Site D is less suitable than the other sites given it is less central to the initial stages of residential release in North Orange and is not as proximate to existing and proposed community and recreational facilities. In addition Site D is zoned Industrial and its development for retail and commercial purposes would, accordingly, reduce the supply of zoned industrial land in Orange. This may not be a significant consideration, however, if alternate areas with industrial potential can be defined around the City to make good the loss of up to 12 hectares which is constituted by Site D.

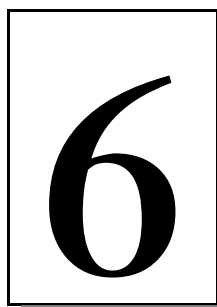
In summary, we consider there is little to choose between Sites B and C from a broad strategic and retail planning perspective. Sites A, E, F and G would be suitable for new retail development but do not have the advantages of Sites B and C. Of the four locations, Site E has somewhat greater advantages compared with Sites A, F and G in terms of centrality to the future North Orange residential release area.

While there are a number of sites capable of providing new retail facilities of district or sub-regional scale in North Orange, only one such site is required. Council could formally invite expressions of interest from stakeholders who (following the public release of this Report) may wish to develop such a centre and evaluate proposals received against certain criteria. These criteria could include:

- ▶ consistency with the overall planning principles established for North Orange
- ▶ centrality to residential release area

- ▶ accessibility from/to road system
- ▶ capacity of site to accommodate proposed retail and related services
- ▶ capacity for staged development
- ▶ urban design merit including potential impact on the landscape of North Orange
- ▶ relationship to existing/proposed community facilities
- ▶ potential conflict with adjoining land-uses.

Council could evaluate each proposal against criteria similar to those noted above to guide its selection of the preferred location. That location could then be appropriately zoned to permit retail development.



ORANGE CBD

6.1 Introduction

The prospect of a new centre of significance in North Orange raises questions about the long term future of the Orange CBD. The Orange CBD historically has been the single dominant centre within the City and continues to contain all of the major retail attractors including a Myer department store, DDSs and major supermarkets.

Undoubtedly the maintenance of the CBD as the City's dominant retail centre has been a successful planning outcome. Unlike some other provincial cities in New South Wales such as Dubbo, Tamworth and Port Macquarie—all of which have sub-regional-scale shopping centres located outside of their CBDs—Orange has retained a strong and vibrant CBD.

Notwithstanding the success of the centre planning approach adopted to date, Council will need to address a number of important planning issues impacting on the CBD if its economic health is to be maintained over the next decade. These issues are discussed below.

6.2 Change in Retail Structure

Currently, retailing in the Orange CBD is anchored by the following major traders:

▶ Big W	...	7,221 sq.m.
▶ Kmart	...	6,000 sq.m.
▶ Myer department store	...	6,858 sq.m.
▶ Coles supermarket	...	2,737 sq.m.
▶ Woolworths supermarket	...	2,700 sq.m.
▶ Franklins supermarket	...	2,599 sq.m..

The CBD also has a newly-opened Aldi supermarket which is located at 167-177 Peisley Street.

Compared with other major cities in inland New South Wales, Orange at the moment appears reasonably well-provided as far as its representation of department stores and DDSs is concerned. By way of comparison, Dubbo has a Myer department store as well as Big W and Target DDSs. Tamworth meanwhile has three DDSs (Big W, Kmart and Target) while Wagga Wagga has a Myer department store and Big W and Kmart DDSs.

Some concern must also surround the long-term future of the Myer store in Orange. This is particularly so given the closure of Myer stores in rural New South Wales (Tamworth, Nowra and Bathurst) since 2002. It is our understanding from discussions with officers of Coles Myer that the future of remaining rural Myer stores is uncertain.

The retail strength of the CBD would be significantly undermined if Myer closed and the CBD was left with only two DDSs (Big W and Kmart). This particularly would be the case if a third DDS established in North Orange. In our assessment, if Myer's Orange CBD store closed its replacement by a DDS (as has occurred in Bathurst and Tamworth) would be essential particularly if one of the remaining two existing DDSs also closed.

6.3 Impact of North Orange Centre

It should be recognised that if a DDS-based centre is approved for development in North Orange it will have an impact on the Orange CBD regardless of the timing of its introduction. This is primarily because, in the absence of a new centre in North Orange, virtually all

retail spending by residents of North Orange will be directed to the Orange CBD.

TABLE 6.1 details our estimates of the potential annual sales which a new centre in North Orange could achieve in 2011 under three different development scenarios namely:

- ▶ Option 1 ... assumes the centre contains only a supermarket and specialty floorspace
- ▶ Option 2 ... assumes the centre contains a small-format DDS of some 5,000 sq.m. as well as a supermarket and speciality floorspace
- ▶ Option 3 ... assumes the centre contains a full-line DDS (7,500 sq.m.), supermarket and specialty floorspace.

As can be noted from TABLE 6.1, the centre's estimated annual sales in 2011 range between \$24 million (Option 1) and \$57 million (Option 3).

We estimate current annual retail sales in the Orange CBD at some \$331 million (\$2004) rising to an estimated \$365 million by 2011 (\$2004). In broad terms, therefore, the development of a new centre in North Orange in 2011 could have the following impacts on the CBD:

- ▶ Option 1 ... -6.5%
- ▶ Option 2 ... -12.2%
- ▶ Option 3 ... -15.6%.

If Options 2 or 3 were implemented before 2011, the impact on the CBD would be much greater than that indicated above. For example, under Option 3 the impact in 2006 could be in the order of -17%.

This analysis suggests that if Council supports the concept of a DDS being developed in North Orange then it should take the following steps to minimise its impact on the Orange CBD namely:

- ▶ limit the size of the DDS to around 5,000 sq.m.; and
- ▶ prohibit the development of a DDS in North Orange prior to 2011.

TABLE 6.1
ESTIMATED ANNUAL SALES of PROPOSED NORTH ORANGE
CENTRE in 2011 – UNDER VARIOUS DEVELOPMENT OPTIONS

Factor ...	Option 1	Option 2	Option 3
Floorspace (Sq.M.)			
DDS	—	5,000	7,500
Supermarket	2,500	2,500	3,500
Specialties	1,000	1,800	2,500
Total	3,500	9,300	13,500
Estimated Annual Sales (\$ Mil.)			
DDS	—	\$13.8	\$18.7
Supermarket	\$20.0	\$22.0	\$26.3
Specialties	\$4.0	\$9.0	\$12.0
Total	\$24.0	\$44.8	\$57.0

Source: Leyshon Consulting Estimates, August 2005.

6.4 Orange Base Hospital Site

We are aware that an investigation is being undertaken regarding the future of the Orange Base Hospital. The hospital is located two blocks north of the CBD and is generally bounded by Dalton, Sale, Prince Streets and Lords Place.

We understand the New South Wales Health Department is evaluating the possible relocation of the Orange Base Hospital to the existing

mental health facility at Bloomfield on the southern side of the City. Such a relocation would leave the hospital site available for redevelopment.

Clearly the hospital site is significant enough in terms of its size to accommodate a major retail development—that is, one which included a DDS, supermarket and specialty floorspace.

In our opinion, redevelopment of the hospital site for such a retail project would have very significant implications for the future of the Orange CBD.

Firstly, as previously indicated, the hospital site is two blocks north of the CBD and is some 700 metres at its nearest point from Summer Street. There is no continuous retail frontage between the CBD and the hospital. Hence, any retail development on the hospital site would become a separate destination to the CBD. That is, shoppers visiting the CBD (in general) would be forced to choose between the existing CBD retail offer and that on the hospital site.

Secondly, such a development on the hospital site would have the same or greater effect on the CBD as would a new DDS-based centre developed in North Orange. This particularly would be the case if the hospital site was developed to contain facilities which appealed to a regional catchment—for instance, a DDS and cinema complex—as undoubtedly this would divert demand (spending) away from the CBD.

Furthermore, while retail development on the hospital site potentially would have the same or a greater impact on the CBD as a new centre in North Orange, such a project would not deliver substantial benefits to the new residential population settling in North Orange. Rather, this outcome would likely result in any retail offer in North Orange being

limited to a relatively small supermarket-based centre with a small number of specialty shops.

Finally, the fact that the hospital site is somewhat removed from the CBD would result in an increased volume of motor vehicle trips being made in and around the northern part of the CBD with consequent impacts on adjoining residential property.



OTHER ISSUES

7.1 Introduction

In preparing this study, Council also requested Leyshon Consulting to consider three other issues namely:

- ▶ possible changes to provisions in Orange LEP 2000 as they relate to bulky goods retailing;
- ▶ whether approval should be given to facilitate the redevelopment and expansion of the existing Mitre 10 hardware store in McLachlan Street, Orange; and
- ▶ whether approval should be given to the proposed rezoning of land at 52-54 Bathurst Road, Orange.

These issues are considered in more detail below.

7.2 Bulky Goods

Orange LEP 2000 permits the development of a limited range of retail bulky goods-type outlets in the 3(c) Bulk Retail Zone. Broadly, the 3(c) zone permits (with development consent) a range of large retail floorspace uses which, because of their particular operational requirements, are less suited to city centre locations.

Clause 55 of Orange LEP 2000 sets out specific provisions controlling bulk retailing in the 3(c) zone. The sale of items in shops in the 3(c) zone is limited to those specified in Clause 55(1)(b) and by the minimum

floorspace controls contained in the clause. The floorspace provisions are as follows:

▶ Furniture	...	500 sq.m.
▶ Electrical goods	...	500 sq.m.
▶ Toys and sporting equipment	...	500 sq.m.
▶ Office supplies	...	500 sq.m.
▶ Hardware and building supplies	...	500 sq.m.
▶ Outdoor products	...	500 sq.m.
▶ Floor coverings	...	250 sq.m.
▶ Automotive parts and accessories	...	250 sq.m.
▶ Lighting	...	250 sq.m.
▶ Antiques and second-hand goods	...	250 sq.m.
▶ Kitchen or bathroom showrooms	...	150 sq.m.
▶ Tiles (floor, ceiling, wall)	...	150 sq.m..

In addition Clause 55(1)(c) states that consent can only be granted where *“the consent authority is satisfied that the proposed development will not have an adverse impact on the viability of land within Zone 3(a) in the Orange Central Business District”*.

Clause 55(2) contains a specific prohibition on the establishment within 3(c) zone of supermarkets, department stores or specialty stores for the primary purposes of selling food for home consumption, clothes, footwear and fashion accessories.

As a general proposition we consider the existing definition of bulky goods appears to work effectively in terms of encouraging (but controlling) bulky goods retail development in Orange. Nevertheless, some criticisms have been levelled at the concept of applying floorspace criteria to bulky goods uses. Principal among these is that if a product being retailed meets the criteria for bulky goods, then the area of

floorspace from which it is retailed should be irrelevant: that is, no minimum floor area is considered to be necessary or appropriate.

While there is some substance to this argument, we consider the minimum floorspace provisions are necessary to prevent an influx of small shops into areas zoned 3(c) and which otherwise could locate in the Orange CBD.

A second criticism which has been made is that bulky goods provisions such as those contained in Orange LEP 2000 do not adequately define “multi-use” stores like those operated by Harvey Norman and MegaMart which retail a range of product lines such as electrical goods, computers, furniture, white goods and floor coverings. This situation could be remedied by including a provision in Orange LEP 2000 to the effect that stores selling more than one of the products listed in Clause 55(1)(b) must have a minimum floor area of 1,500 sq.m..

A third specific issue has emerged in recent years concerning a tenancy operated by The Warehouse Group at the Orange Homemaker Centre.

In 2003 a series of legal actions were launched by Woolworths Limited against The Warehouse Group in locations throughout Australia including action against the store located in Orange. In New South Wales, the Land and Environment Court considered the legality of the approval of stores operated by The Warehouse Group at Villawood and at Liverpool within zones that permit bulky goods retailing.

In summary, the Land and Environment Court found that the range of goods retailed by The Warehouse Group was not consistent with the definition of “bulky goods” in those two LGAS. In essence the Court found The Warehouse Group is a general merchandise retailer and at both its Villawood and Liverpool stores was retailing products specifically excluded from the range of goods permissible as far as retailing in areas

designated for bulky goods retailing are concerned. As a consequence of this judgment, The Warehouse Group has altered its product range in many stores (including Orange) to comply with the findings of the Court.

The Warehouse Group subsequently made a submission to Council arguing that as a result of the reduction in the range of goods stocked, the long-term viability of its Orange store is not assured. The Warehouse Group has proposed changes to the provisions of Orange LEP 2000 designed to facilitate the continued operation of the company's store in the Orange Homemaker Centre. Specifically, The Warehouse Group proposes the following:

- ▶ amending Clause 55(1)(a) to state that *"the sale of items is predominantly those specified in paragraph (b)"*; and
- ▶ that Clause 55(1)(b) be amended by adding after the words *"is not less than the area shown below"* the words *"or alternatively where more than one of the items listed below is available for sale, storage or display, the total building has a gross floor area of not less than 2,000 sq.m. in which case, the minimum floor areas as set out in Clause 55(1)(b) do not apply"*.

We understand that solicitors (Deacons) acting for The Warehouse Group have also proposed additional uses be added to the listing of retail categories provided in Clause 55(1)(b) namely:

- ▶ *convenience store with a maximum floor area of 250 sq.m.*
- ▶ *shop for the sale of footwear and clothing with a maximum floor area of 90 sq.m..*

The purpose of these amendments would be to allow The Warehouse Group to return to retailing some food and grocery items in an area of 250 sq.m.. Further, they could return to selling clothing and footwear in an area of up to 90 sq.m.. These product lines have been removed from the store as a consequence of the Court decisions noted above.

Both in New South Wales and Queensland there are a number of court decisions which generally reflect one theme. That is, The Warehouse Group is not a bulky goods retailer. It is generally agreed that The Warehouse Group is a retailer of general merchandise albeit using a format that is somewhat different to other general merchandise retailers such as DDSs. In our experience, however, there are material differences between stores operated by The Warehouse Group and DDSs operated by Kmart, Big W, Target and the like. The characteristics of The Warehouse Group which are not shared by traditional DDSs include:

- ▶ smaller floorspace
- ▶ lower standard of finish
- ▶ lesser incidence of branded products
- ▶ higher proportion of “opportunistic” stock.

As previously noted numerous cases both in New South Wales and Queensland have established that The Warehouse Group is a retailer of general merchandise. Further, it has been established that while The Warehouse Group stores stock some items of a bulky nature these are not numerous enough to classify the business as a bulky goods trader.

It also should be noted that in a recent case in Queensland (Leda Holdings Pty Ltd -v- Caboolture Shire Council and Anor; Jeanfern Pty Ltd-v-Caboolture Shire Council [2005 QPEC056]) it was found that The Warehouse Group was not a DDS and the nature of the company's operations does not dictate their stores must be located in major

shopping centres. The Court also found The Warehouse (and an adjacent discount retailer known as Makro) sold a range of products of a discounted nature to bargain-conscious shoppers. The two stores in question were located in a bulky goods-type centre which contained other retailers of homemaker-style products.

Further, the Court found no evidence of an adverse impact arising from the operation of The Warehouse on the retail hierarchy in the Caboolture area in general or on a major nearby regional centre operated by Leda Holdings.

If Council wishes to retain The Warehouse Group as a tenant at the Orange Homemaker Centre it is our opinion the most feasible course of action is to amend Orange LEP 2000 firstly to insert a new definition of a major discount variety store. The main elements of such a definition would be as follows:

- ▶ a floor area of not less than 2,000 sq.m. and not more than 4,000 sq.m.
- ▶ the retailing of a wide range of discounted general merchandise
- ▶ a restriction on the amount of floorspace in such a store devoted to food and groceries to no more than 250 sq.m..

Secondly, Orange LEP 2000 could be amended to provide that a discount variety store is only permissible on land zoned 3(c) and as described in Clause 56—that is, the Eastern Gateway development.

Such a definition would enable The Warehouse Group to continue trading in the Orange Homemaker Centre while limiting the potential competitive effects of such a store on other existing commercial centres. Furthermore, it would prohibit from areas intended for bulky goods

retailing in Orange those smaller discount operators which would otherwise establish in commercial centres. Thirdly, the floorspace limits proposed will preclude the establishment of a traditional DDS of the type operated by Coles Myer or Woolworths in the 3(c) zone. Finally, the reintroduction of some food and grocery products would be of benefit to residents of the Glenroi area (the adjacent suburb) who are currently deprived of easy and convenient access to such services.

7.3 Proposed Rezoning – Mitre 10

Council has received a rezoning application on behalf of the owners of the existing Mitre 10 store in Orange to rezone the site occupied by the store to permit a broader range of bulky goods retailing on the site and to create a new access point to the site from Leeds Parade/William Street.

Currently, the Mitre 10 store addresses McLachlan Street with a large, under-utilised area of land at the western end of the site. Mitre 10 propose to expand and redevelop their site to provide a new store of 3,600 sq.m. at the western end of the site with direct access from Leeds Parade/William Street. The balance of the site would be redeveloped to provide some 2,624 sq.m. of bulky goods floorspace which would have access both from Leeds Parade and McLachlan Street. From a retailing perspective, the site is well located for the type of activity proposed given its access to the northern and eastern parts of Orange.

The potential requirement for some existing traders to expand their current operations (like the Mitre 10 application) was foreshadowed in our 1997 report to Council.

Discussions with the owner of Mitre 10 indicate the primary impetus for the proposed development is competition from the Bunnings hardware

store which established on the Orange Homemaker site. The applicant has also indicated that other possible locations in Orange for a new Mitre 10 store have been canvassed including:

- ▶ land adjacent to the Orange Homemaker Centre
- ▶ Cameron Place
- ▶ Old Woollen Mill site.

In our opinion, subject to authorities agreeing to appropriate access from Leeds Parade/William Street, the proposed redevelopment of the Mitre 10 site should be supported by Council. If the proposal proceeds it will introduce greater competition into the hardware sector thereby benefiting residents of Orange and surrounding areas.

The addition of some 2,624 sq.m. of bulky goods floorspace is not regarded as significant from a strategic planning point of view. As indicated in Section 3 of this Report, total available retail spending in the household furnishings and equipment category alone in the Orange trade area will increase by some +\$15.1 million per annum (\$2004) between 2004 and 2016. Broadly, such expenditure growth would support an additional +3,500 sq.m. of floorspace in the trade area in furniture, electrical goods and associated categories alone. On this basis we conclude the bulky goods floorspace proposed as part of the Mitre 10 application is insufficient to have strategic implications for existing centres in Orange and we recommend approval of the proposed rezoning subject to adequate access to the site being granted from Lees Parade/William Street.

7.4 Bathurst Road Rezoning

An application has been received by Council for the rezoning of land at 52-54 Bathurst Road and 27 Eyles Street, Orange. The subject site is

currently occupied by a retail nursery although the site is zoned 2(a) Urban Residential. We understand the site has the benefit of existing use rights as far as a nursery is concerned and we are advised the owners pay commercial rates to Council.

The owners of the site have indicated that, due to both the drought-induced downturn in the sale of plants and nursery items and competition from Bunnings, they wish to diversify their activities on the site to include uses such as the assembly and sale of Balinese furniture, garden furniture, gazebos and the like. The owners' representative (Geolyse) have proposed that the site should be rezoned to 3(b) Business Services to permit the expanded range of activities their client wishes to undertake.

From our perspective the major issue with this application is whether the rezoning may give rise to unintended impacts if the current owners sell the site following its rezoning. In this regard we note that the 3(b) Business Services zone permits a wide range of retail and other commercial activities. The activities which would become permissible under a 3(b) zoning include:

- ▶ convenience stores
- ▶ fast-food outlets
- ▶ offices
- ▶ restaurants
- ▶ shops subject to Schedule 5
- ▶ shops subject to Clause 54.

Schedule 5 concerns provisions for complying development as it relates to internal alterations or additions to existing shops, business premises, offices or restaurants. Schedule 5 is not strictly relevant to the issue at hand.

Clause 54 permits retailing in the 3(b) zone only where Council is satisfied the development will not detract from the role of the CBD as the major business centre in the City of Orange. In addition Clause 54 prohibits the establishment of supermarkets, bulk retail centres, department stores or DDSs or substantial shopping centres or complexes. In effect, these provisions can be used to moderate the extent of retail activity on sites zoned 3(b).

In relation to the potential redevelopment of the Bathurst Road site for purposes permitted in the 3(b) zone we note that:

- ▶ the site has an overall area of only some 1,800 sq.m. which limits its potential for retail development; and
- ▶ the site is located in a fringe area of the Orange CBD and is surrounded by either retail or commercial uses including the ABC's Orange studios, petrol stations, office furniture shop, motor vehicle dealers, a motel and a number of take-away food outlets including KFC, Red Rooster and McDonald's.

It is our conclusion that the proposed rezoning of the site (given its size) is unlikely to lead to a form of retail/commercial development which would either be out of context with other forms of existing commercial, retail or quasi-commercial development on Bathurst Road or one which threatened the long-term performance of the CBD. Given this, we conclude there is little risk to the Business Centre Strategy for Orange if the subject site was rezoned to 3(b) Business Services.

8

RECOMMENDATIONS

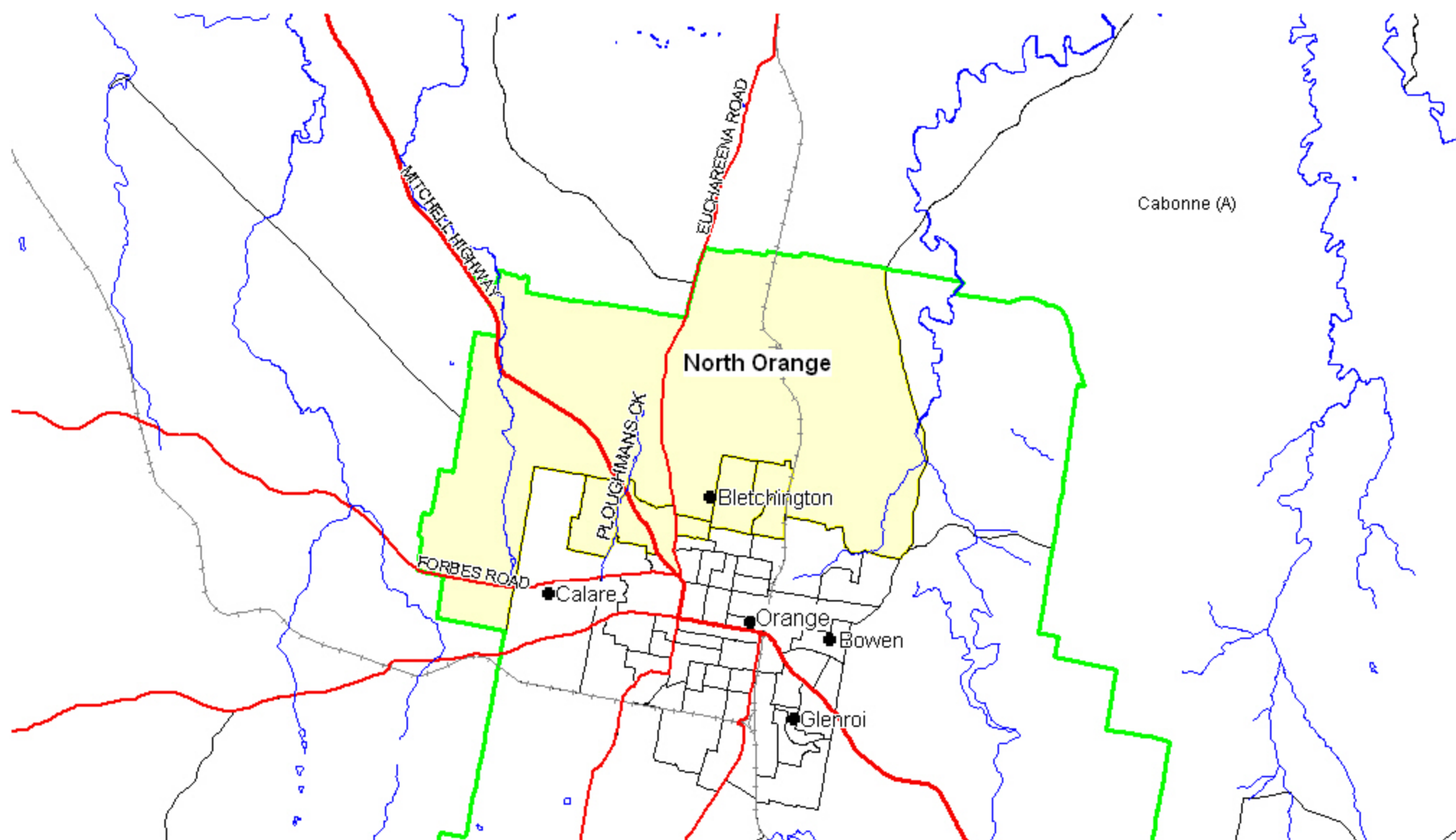
Taking into account the issues discussed in this Report, the following recommendations regarding the future development of business centres in Orange are made:

- ▶ that Council seek formal expressions of interest in the development of a major new retail centre for North Orange and that proposals received be evaluated against criteria of the type described in this Report
- ▶ that land be rezoned to facilitate development of a new centre in North Orange with the identified site having sufficient capacity to incorporate a full-line supermarket, supporting specialty shops and possibly a DDS
- ▶ that planning controls be introduced into a new DCP covering the site of the proposed North Orange centre so as to ensure the largest retail tenant does not exceed 5,500 sq.m. in gross leasable area
- ▶ that planning controls be included in a new DCP for the North Orange centre so as to prohibit the development of a DDS prior to 2011
- ▶ that if the Orange Base Hospital vacates its current site within the next decade, Council not endorse a substantial component of retailing (that is, >2,500 sq.m.) in any redevelopment plan for the site given the potential for major retailing on this site to have an adverse effect on the Orange CBD

- ▶ that Council introduce a provision to Orange LEP 2000 to define multi-use bulky goods stores
- ▶ that Council amend Orange LEP 2000 to introduce a new land use definition namely “major discount variety store” which is based on the criteria set out in Section 7.2 of this Report
- ▶ that Council amend Orange LEP 2000 to specify that a “major discount variety store” is only permissible on land zoned 3(c) in Orange and as described in Clause 56 of LEP 2000
- ▶ that Council rezone land currently occupied by Mitre 10 between McLachlan Street and Leeds Parade/Williams Street to permit bulky goods retailing of up to 3,500 sq.m. (gross leasable area)
- ▶ that Council amend Orange LEP2000 to rezone land at 52-54 Bathurst Road and 27 Eyles Street, Orange to 3(b) Business Services.



FIG 4.1: North Orange Area
and surrounding areas



Based on 2001 Collection District Boundaries
Source: 2001 Census
Produced by: Leyshon Consulting
© Commonwealth of Australia, 2005

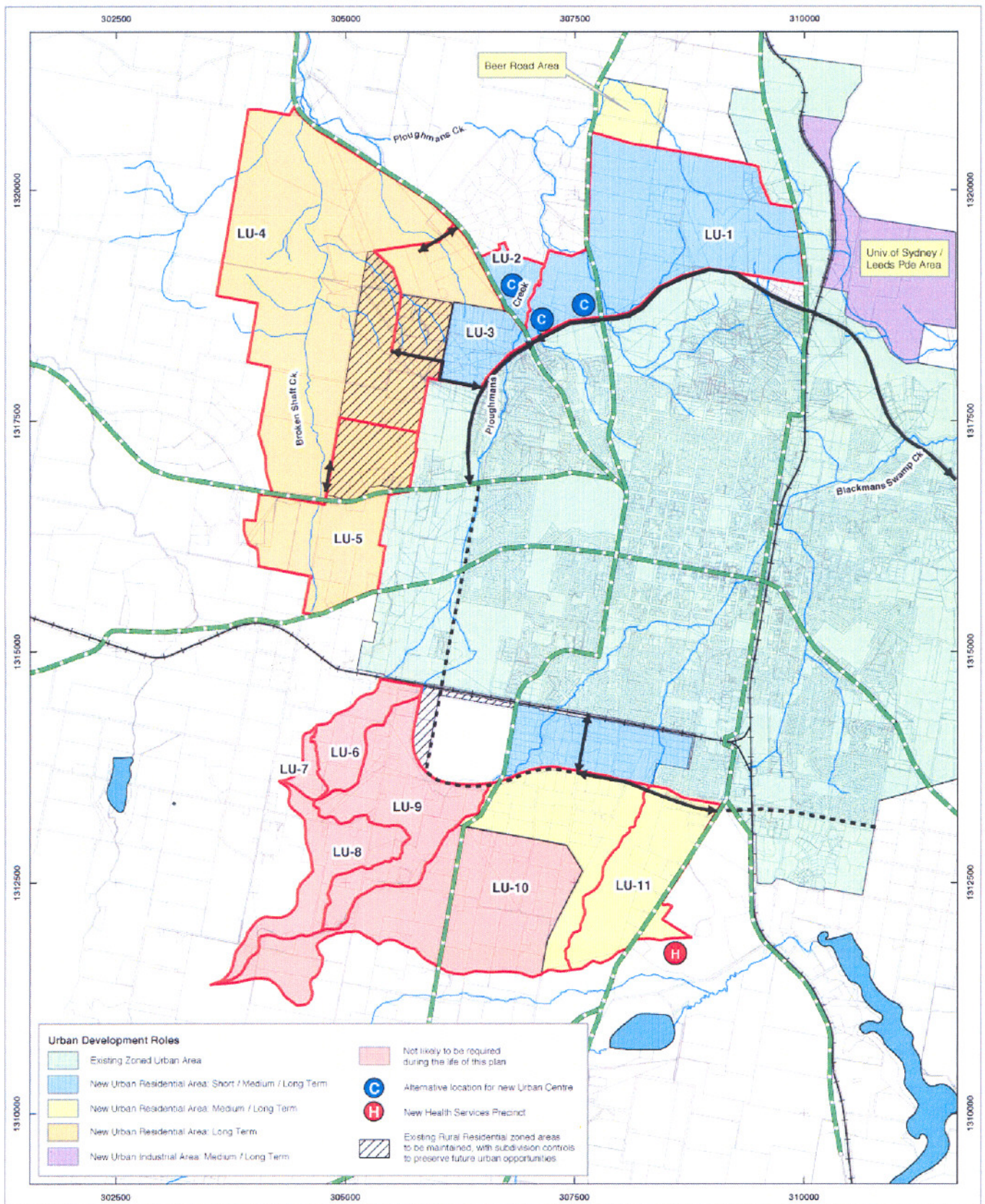


FIGURE 2.1

ORANGE STRUCTURE PLAN (Parsons Brinkerhoff)

**PARSONS
BRINKERHOFF**



ISG66 / Zone 55_3 Scale: 1:40,000

SWD Date: 05 Feb, 04

GN Date: 05 Feb, 04

GN Date: 05 Feb, 04

Client: Orange City Council

Designed: GN Date: 05 Feb, 04

Proj. No: 2116298A Layout Size: A3

Checked: GN Date: 05 Feb, 04

GIS Proj: O:\AS3-Environmental\Nov02-C003\Projects\2116298A_2049a_Structure_Plan_A3.mxd

DWG No: 2116298A_2049a Figure: 7.5

PDF Address: O:\AS3-Environmental\Nov02-C003\Projects\2116298A - Orange URS and LES GIS Maps

PDF File: 2116298A_2049a_Structure_Plan_A3.pdf

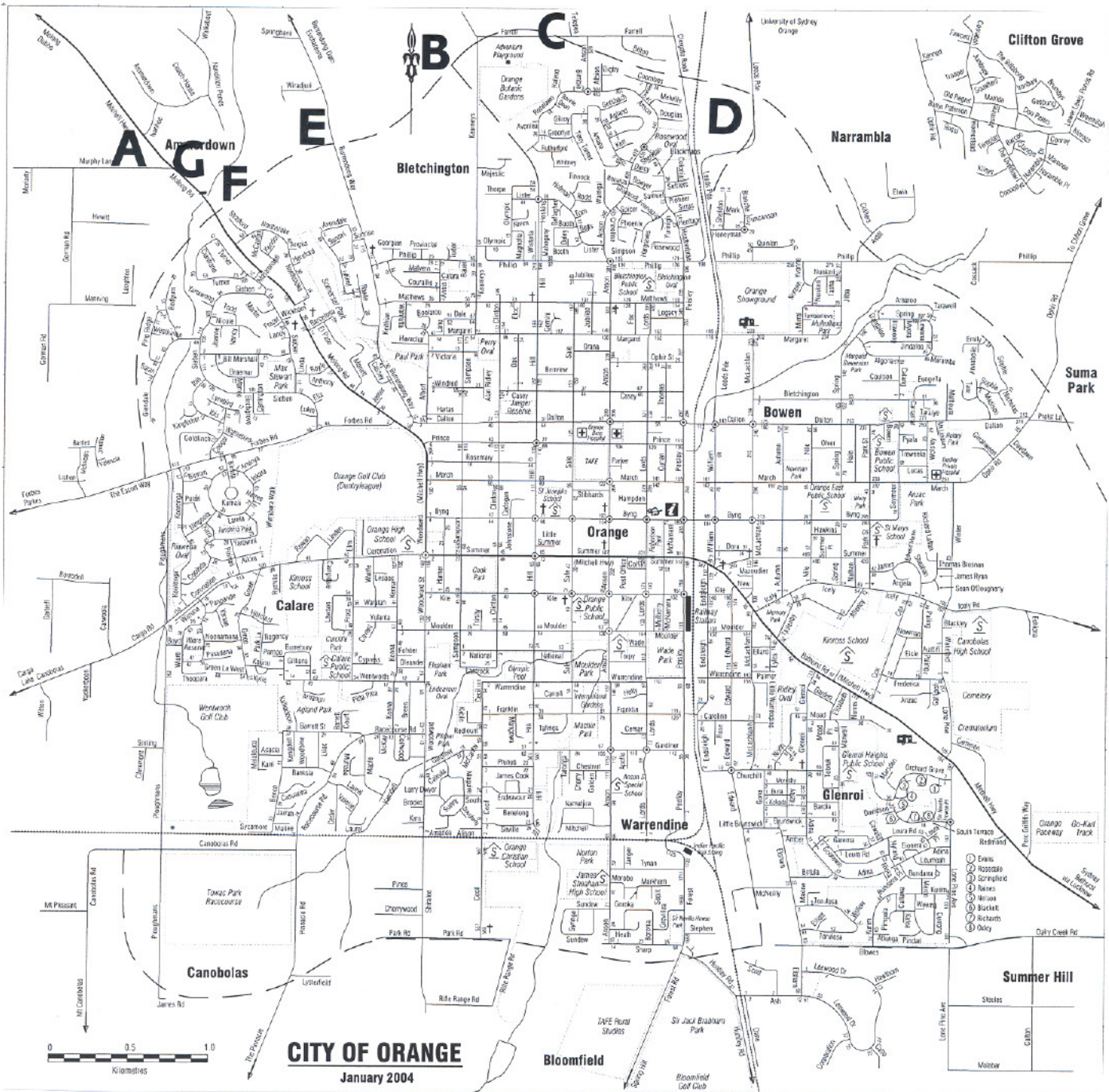


FIGURE 5.1

**LOCATION of ALTERNATIVE
CENTRE SITES, NORTH ORANGE**