



Mr Garry Styles
General Manager
Orange City Council
PO Box 35
ORANGE NSW 2800

Attention: David Waddell, Director Development Services

Dear Mr Styles

Blayney Cabonne Orange Rural and Industrial Sub –Regional Strategy (BCO) - Review and Update April 2018

I refer to the subject matter and to Council's email dated 11 May 2018, further information provided by email on 17 July 2018 and to a formal letter dated 19 July 2018 regarding the draft Addendum to the BCO particularly in relation to planning proposal PP_2016_ORANG_002_00 (Clergate Hills) Orange.

It is noted that the above draft Addendum is provided as required by Condition 1 of the Alteration of Gateway determination dated 6 February 2017, where an Addendum to the BCO is to be prepared to '*recognise the removal of the Clergate Hills land from the Strategy and outcomes on the projected industrial land supply and demand*'.

In order for the planning proposal to proceed to community consultation, Condition 1 specifies that the Department is to approve the draft Addendum.

After assessment, the Department remains of the opinion that the updated draft Addendum does not satisfy Condition 1 at this time. The reason for this position is due to the draft Addendum not providing satisfactory justification or argument for the removal of the future industrial Strategic Area SA B land, to support its rezoning to Zone R5 Large Lot Residential.

The draft Addendum provided in terms of industrial land supply and demand does not satisfy Condition 1 because of the following reasons as summarised below. Refer to **Attachment 1** for detailed comments:

- An alternative industrial land assessment has been completed for the four BCO listed industrial land options only. However, Council has stated repeatedly that these areas are not suitable for industrial use and there is insufficient industrial land available for the short to medium term. This contradicts the planning proposal's main premise of removing SA B from future industrial use.

- The draft Addendum states that there is 5-7 year supply of industrial land available yet Council are supporting the removal 35 ha of industrial zoned land in addition to 75ha of land identified as SA B in the BCO for future industrial purposes.
- Justification for the removal of the Clergate land SA B industrial land in terms of other options including partial-or-full rezoning has not been satisfactorily provided, with the 'all or nothing' approach the only option presented.
- The Department is concerned that the removal of SA B now may adversely impact in the industrial land supply without a clear medium to long term industrial land supply direction.
- Justification for removing the future industrial designation is predicated on purported short-term economic benefit from residential development. The opportunity cost of rezoning the subject land to residential over the intended industrial zone and ongoing employment generating activity is not provided in terms of lost potential contribution to the local and regional economy.
- Arguments such as potential conflict between yet to be developed industrial and residential land uses are at this stage are pre-emptive. Council has examples of adjoining industrial and residential zones in the Clergate vicinity (Illamatta Way, Industry Drive, Bligh Street). Council is fully aware of the need to plan the precinct in terms of the intended land uses and potential localised impacts at the subdivision and development stages. Noting that the subject SA B land has been clearly identified in the BCO since endorsement in 2008.
- There is no explanation of the demand for large lot residential land over and above that provided by the opportunity provided in Strategic Area SA 2.
- It is noted that the SA 2 area is consistent with the BCO, the Gateway determination and Council's servicing strategy and can be readily progressed.
- Appendix 4 (as stated on page iii of the draft Addendum) has not been provided as part of the draft Addendum documentation.

The Department is mindful of the need to provide strategic opportunities for future investment and development across all land uses. However, the draft Addendum is in places contradictory and inconsistent in its assessment of the SA B site and other industrial land and does not provide compelling evidence. It is noted that the result of consultation with both Blayney and Cabonne Councils has not been provided as referred to as Appendix 4 on page iii of the draft Addendum.

The Department is therefore of the view that there are no compelling arguments to amend the Blayney Cabonne Orange Rural and Industrial Lands Strategy for the removal of the SA B land from future industrial uses at this time.

With the commitment of Blayney, Cabonne and Orange Councils to a review of the BCO with the Department, it is prudent that the Clergate precinct is investigated in more detail with the benefit of contemporary best practice planning.

For the planning proposal to move forward, the Department provides the following options:

- Defer the planning proposal pending review of the BCO (now commenced). It is noted that the while the full BCO work is anticipated to be completed in

2019 there is an opportunity to bring forward the industrial land component so that there is an early direction on where Orange will go with its industrial land supply. The findings of this work can then support, or otherwise, and be used in conjunction with the subject proposal.

- Amend the planning proposal to remove the subject SA B land and resubmit to the Department for approval to commence community consultation

I look forward to your advice.

Should you have any further questions in relation to this matter, please contact Nita Scott at the Department on 02 6841 2180.

Yours sincerely

A handwritten signature in black ink, appearing to be 'D. Pfeiffer', written over a circular stamp or seal.

26.7.18

Damien Pfeiffer
Director Regions, Western
Planning Services

Blayney Orange Cabonne Rural and Industrial Sub-Regional Strategy (BCO)

Draft Review and Update April 2018

Department Comments

- The Department acknowledges there has been positive change in Orange since the BCO was endorsed in 2008 and Orange LEP notified in 2011. Orange has grown in terms of new residential development and population growth. Blayney and Cabonne have also grown in population and economic activity.
- Despite evidence of positive economic momentum in the subregion, Council wants to significantly reduce existing and proposed employment opportunity land that has been identified as part of the BCO for 10 years.
- The SA B land has been identified for future industrial use, particularly lots 2 and 3 DP255983 and Lot 25 DP6694; considered as appropriate for its location, site characteristics, servicing, access and relative greenfield status.
- The Department and Orange City, Cabonne and Blayney Shire Councils support the joint review of the BCO and all have committed funding to the BCO review. This project has commenced.
- Page iii - There is a referral to Appendix 4 regarding consultation with Blayney and Cabonne Shire Councils. However, Appendix 4, and the views of the Blayney and Cabonne Shire Councils are not provided.
- The Department is aware that both Blayney and Cabonne Councils do not support the proposal or the draft Addendum and are committed to reviewing the BCO jointly.
- Page iii – Orange City Council should know whether it has committed funding to their Sustainable Settlement Strategy (SSS). Consultation with Cabonne Shire Council will reveal whether it has committed funding to a SSS.
- Page iv – the work with the Orange Airport identified a shortfall in industrial lands within Orange LGA and this is confirmed by this draft Addendum.
- Pages 29 identifies industrial land supply capacity is 5-7years and the short-term supply will be far less with the removal of 35ha of the IN1-zoned Abattoir land.
- Pages 30-32 assesses four industrial opportunity sites and proposes to exclude the Northern Distributor Road corridor and North Clergate from future strategic consideration. This is considered premature in the context of the BCO review project that is underway, the existence of industrially zoned land, and the current rate of development in this locality.
- Page 32 dot point 3 – contrary to this reason - there is evidence of employment and industrial land growth in the Clergate area with new development and reuse of land and buildings.
- Page 34 recommends BCO review be completed.
- Page 46 – the former abattoir land appears not to be considered in GHD work.
- Page 46 – "...it is understood that OCC has developed a Strategic Developer Servicing Plan .." vs page 32 dot point 5 states there is a plan.
- Lots 14 (90ha) and 25 (90ha) DP6694 are clearly identified for large lot residential purposes in BCO and also consistent with Council's long-term servicing plan.
- There does not appear to be any actual supply and demand figures for industrial land. There is no explanation of the 5-7 years supply figure provided.

General

- There is reliance on a report into large lot residential land demand needs that has not been supplied to the Department, and not endorsed by the Department (GHD review of residential land in Orange, 2012);
- Inaccurate claims are made about the BCO, such as the removal of candidate areas prior to endorsement, the intent of candidate areas (for example, that the SA B land must be used for heavy industries such as abattoir type development), and assumptions made of the relevance of the BCO ten years after adoption are incorrect and should be amended;
- There are concerns about the repeated assumption that residential land development (via activity in the construction industry) will out-perform in real economic terms industrial development (construction and ongoing employment generating activity);
- There are multiple references to land use conflict between rural and industrial land, notwithstanding the co-existence of light industry and residential development along Clergate Road within 1km of the site, and the need for future master planning to pre-empt any future development.
- Evidence is required to justify the assertions:
 - “The use of the North Clergate land for rural residential purposes is considered to represent the highest and best use of the site and response to market demand for this form of housing ...”
 - “This will sustain and generate employment for the local area/region and support local business thereby keeping the profits locally, as opposed to profits from industrial companies which are likely to leave the region (in the context of larger) multi-national companies.”
- If there is legitimate concern about the timing of the BCO review then it is possible for the BCO project to bring forward the industrial land component, with the agreement of the Steering Committee. This would potentially allow this matter and BCO review to be considered in concurrently.