

LAND ANALYSIS
IN SUPPORT OF A PLANNING PROPOSAL

PROPOSAL TO AMEND THE ORANGE LOCAL ENVIRONMENTAL PLAN 2011
IN RESPECT OF LAND AT LEEDS PARADE, CLERGATE

PREPARED FOR:
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Introduction

1.1 OVERVIEW

Geolyse has been engaged by Bob Healy & Company to prepare a planning proposal to amend the *Orange Local Environmental Plan 2011* (OLEP) to rezone land at Leeds Parade for the purposes of providing rural residential 'lifestyle' blocks.

Part of the land is currently zoned as IN1 – General Industrial (approximately 34 hectares) and the remainder is zoned RU1 – Primary Production (approximately 256 hectares).

The western portion of the site (approximately 76 hectares) is identified in the *Blayney, Cabonne, Orange Rural and Industrial Sub Regional Strategy 2008* (BOC) as being suitable for use for future industrial purposes.

The planning proposal seeks to rezone the eastern and central western portion of the site as E4 – Environmental Living, sections along the creek lines as RE1 – Public Recreation, with the reminder to be zoned for R5 – Large Lot Residential. The rezoning of the land would enable the subdivision of all of the land (excluding the areas adjacent to the creek lines and within an area of remnant vegetation) for rural residential purposes. A master plan has been prepared which identifies approximately 450 lots with a minimum lot size of 4,000 square metres. Some of the more constrained lots in the eastern extent would feature a minimum lot size of 8,000 square metres. All lots would be fully serviced and are in close proximity to the ever expanding North Orange urban fringe, the Charles Sturt University Orange Campus and the North Orange Shopping centre. The R1 – General Residential zone has expanded to within approximately 1 kilometre of the site.

This report considers two implications of the proposal.

The first is determining the relevant supply and demand of rural residential blocks within the Blayney, Cabonne, Orange sub region and assessing the impact of the ultimate development of the subject land for rural residential purposes.

The second is the implication of the loss of the current and future employment land.

Document review

2.1 BACKGROUND DOCUMENTS

In recent years there have been a number of strategic documents prepared for the Orange, Blayney and Cabonne Local Government Areas (the Sub-Region). These documents have considered a range of factors including population, employment and business growth, and this information has provided a strategic basis for local plan making for the three LGAs.

The key documents that have been reviewed are listed in chronological order as follows:

- Orange Business Centre Strategy 1997 (Leyshon Consulting)
- The Orange Sustainable Settlement Strategy and Local Environmental Study 2004 (Parsons Brinkerhoff)
- Orange Business Centre Strategy – Review Study 2005 (Leyshon Consulting)
- The Blayney Cabonne Orange Rural and Industrial Land Use Strategy 2008 (GHD)
- The Orange Sustainable Settlement Strategy update 2010 (Newplan)
- Orange Business Centres Review Study 2010 (Leyshon Consulting)
- The Rural Residential Supply and Demand update to the Blayney Cabonne Orange Rural and Industrial Land Use Strategy 2012 (GHD)
- The Cabonne Sustainable Settlement Strategy and Local Environmental Study 2012 (Cabonne Council)
- The Blayney Sustainable Settlement Strategy and Local Environmental Study 2012 (Blayney Shire Council)
- The 2015 Industrial Land Updated (Chapter 16) to the Blayney Cabonne Orange Rural and Industrial Land Use Strategy 2012 (Orange City Council)

In order to consider the suitability of the subject planning proposal in the context of this strategic position, these documents have been reviewed and the findings of this review are summarised throughout the remainder of Section 2 of this report.

Each of these documents serves a slightly different purpose and have differing foci. However, each has been prepared following extensive consultation with local residents and each has been endorsed by the Director General of the Department of Planning to guide Local Plan making.

The exception to this is the recently prepared chapter 16 update to the BOC, which has been lodged with the Department of Planning & Environment (DP&E) to support a proposed amendment of the OLEP, but which has not received endorsement from the Director General of the DP&E. This amendment is hereafter referred to as the Orange Airport LEP Amendment.

The Orange Airport LEP Amendment has received Gateway approval but is currently the subject of consultation with the Council's of Blayney and Cabonne in order to confirm the strategic position is shared across the sub-region. On the basis that the Chapter 16 BOS Update has not been formally endorsed, its findings have largely been discounted from this review, although noting that the general rationale is consistent with the position presented by this analysis.

It is also noted that the proposed merger of these three Council's (currently the subject of consideration by the NSW State Government) may change the nature of the consultation between three Councils and the strategic direction of the sub-region.

Each of the above listed strategic documents has been prepared having regard to the relevant planning framework applicable at the time of their preparation. A significant change in the nature of the local planning has occurred since the first of these documents was prepared in 1997 and this change,

the introduction of the Standard Instrument LEP, has been a key driver in the production of a number of the noted strategic documents (specifically the OSSS 2010 update and the Blayney and Cabonne SSS's).

Another significant change in policy relevant to theme of rural residential housing has been the findings of the Central West Rural Lands Panel and the subsequent introduction of the *State Environmental Planning Policy (Rural Lands) 2008*. The study and SEPP seek to minimise the fragmentation of rural land and the protection of agricultural land uses.

Each of the abovementioned strategic documents considered a number of key elements. Particularly relevant to this document, and discussed throughout the following sections, are the following:

- Demographic profile
- Local and regional population projections
- Supply/demand of rural residential land
- Supply/demand of industrial land

The listed strategic documents are briefly summarised in the following sections including extraction of a summary of the findings of these documents in the context of the above listed elements. The focus of the summary is particularly on the position of these strategic documents with respect to Orange.

2.1.1 BUSINESS CENTRE STRATEGY 1997, 2005 AND 2010

In 1997 Orange City Council engaged Leyshon Consulting to prepare a Business Centre Strategy (BC Strategy). This was subsequently updated in 2005 and again in 2010.

Leyshon considered a range of factors in the strategy to guide development of the Orange business centre, but particularly relevant to this document was the projected growth of the population of the Orange LGA.

In the 1997 Strategy, Leyshon predicted that Orange would continue to grow modestly and anticipated Orange would grow by 3,800 people (35,500 to 39,300) through the period 1996-2006.

In 2005 the BC Strategy was reviewed and updated. The 2005 Strategy review highlighted the findings of the Orange Sustainable Settlement Strategy and Local Environmental Study 2004 (OSSS) with respect to population growth (discussed below) however Leyshon considered the growth projections within that document to be overly optimistic. The 2005 Strategy review contained its own revised population projections and estimated that population in Orange would grow by (on average) 0.59%/annum.

The 2010 Strategy Review, when considering population projected, noted a slowdown in growth in the period 2001-2005 (average 0.04% to 2005) followed by a significant increase in growth between 2005 and 2008 (0.37%/annum in 2005, 1.12%/annum in 2007 and 1.24%/annum in 2008). Due to the substantial fluctuation in growth rates, Leyshon acknowledge the potential for significantly higher growth than assumed in the 2005 Strategy review.

The 2010 Strategy review also noted the findings of the Western Research Institute (2008) which projected the population of Orange could be expected to grow by 2021 to between 40,508 and 50,522 persons (WRI scenario's C and A), dependent on a range of assumptions. The 2010 Strategy review adopted these WRI estimates for the purposes of updating the strategy. These estimates equate to yearly growth figures of approximately 0.6% (WRI C) and 2.7% (WRI A).

2.1.2 ORANGE SUSTAINABLE SETTLEMENT STRATEGY AND LOCAL ENVIRONMENTAL STUDY 2004

The original OSSS is now quite dated but is considered still to be of relevance due to not being superseded by any newer plan (although noting the 2010 Update).

The original OSSS considered the urban structure of the City and looked at the underpinning economy and the typical constraints that affected development. The OSSS considered that the relatively strong and varied economy of Orange would ensure growth in the medium to long term. A number of key constraints to growth were noted and (relevant to this project) included the need to consider buffers between industrial and rural/rural-residential land, the need to protect ridgelines and scenic quality areas and economic provision of infrastructure. The OSSS noted that identified constraints to development (largely previously identified through historical strategic documents) had resulted in the focussing of urban expansion in the north and north-east of the city. The OSSS suggest that population growth could be accommodated by:

- *consolidation or infill development in the existing urban area;*
- *identifying new urban release areas;*
- *or a combination of both.*

The OSSS notes: *care needs to be exercised in the planning of new urban areas to avoid 'placeless' sprawl. This implies the creation of integrated and more 'self-contained' communities.*

The OSSS provides consideration of the key drivers to population growth and includes consideration of the both the macro and micro drivers. Macro factors include:

- *Interest rates and inflation*
- *Price of commodities (ie, gold, copper and agricultural products)*
- *Rising house prices in the larger cities and the sea-change effect, particularly for younger families*
- *Competition and technology impacts on agricultural activities*
- *Export performance*
- *Ageing populations*
- *Reduction in family sizes*
- *Earlier retirement*

Micro factors can include:

- *The economic performance of the particular raw commodities on which Orange business relies*
- *The reliance of local industries on the above commodities*
- *Skill base of the local labour force*
- *The availability of land to support growth*
- *Attitude of the local authority to growth*
- *The degree of fragmentation of land suitable for development*
- *The costs of developing new land for housing*
- *Local social and demographic features*
- *Lifestyle factors that make Orange desirable over other centres*

Findings from a review of subdivision and registration data available in 2004 found:

- *demand can be considered from two perspectives: at approval and registration stage. From a land availability point of view it is most relevant to consider subdivision approvals, as approvals are specifically tied to the zoning of a given parcel of land. Between 1998 and 2003, the average residential allotment approvals recorded was 226 per annum;*
- *on an annual basis, there are usually more subdivision approvals than registrations issued, probably due to the fact that an approval represents approval in principle, where a registration usually involves substantial capital works to be completed; and*
- *rural residential allotments comprise, on average, around 10 percent of total residential approvals/registrations.*

With respect to dwelling development the following was noted:

- *an existing and continuing strong preference for separate houses as the primary dwelling type;*
- *an annual average number of net additional dwellings of 189 dwellings per annum throughout the ten years to 2001; and*
- *an annual average number of net additional separate houses of 158 dwellings per annum throughout the ten years to 2001.*

It was also noted that dwelling occupancy rates within Orange were falling (in line with national trends) which would have an impact on the demand for housing.

Population data from previous census periods showed high growth prior to 1981 and slower but consistent growth in the following period (average of 0.8% per annum). Higher growth was shown in the period 2001 and 2006, theorised to be linked to the development of the Newcrest mine at Cadia.

The OSSS considered Department of Planning and Urban Affairs population projections for the city for 1994 and 1999. Growth projections for the 1994 period for Orange were shown to be between 38,800 and 46,300 for the low and high projections. 1999 figures were not region specific but projected population decline for the Central West region although noted that growth was likely in the larger regional centres such as Orange and Bathurst.

It was theorised by reference to the available population data that a gradual shift of population was occurring from rural areas to these larger regional centres. The OSSS considered two population growth projections:

- Medium growth of 0.8%/annum, consistent with the historic trends for the region; and
- High growth of 1.1%/annum, consistent (albeit marginally lower) than the growth experienced in the period 1996-2001.

The OSSS projected that continued growth at 0.8% would see Orange grow to 45,155 by 2026.

In 2010 Newplan updated the OSSS as a result of the legislated need to prepare a standard instrument LEP. The OSSS Update was to provide a 20 year land use plan including the review and incorporation of any significant decisions made to affect land units identified in the OSSS.

In the context of projected population growth, the Updated OSSS reviewed a number of sources (including the OSSS, the DoP figures, WRI, Leyshons 2005 figures). It was noted that figures identified in the 2004 OSSS (0.8 and 1.1) were overstated in the early years of the strategy however it was also noted that growth in the latter years of the strategy had exceeded the higher figure. Accordingly, those growth figures were retained for the purposes of the OSSS Update, with the exception that the projection start year was reset to the ABS figures for 2008. The update projected growth to 2031 of 45,632 (medium growth at 0.8%) or 48,860 (high growth at 1.1%).

The OSSS Update provided predictions of future urban residential land needs. A key assumption was that rural residential allotments would account for 10 percent of overall supply. The analysis noted that under the medium (0.8%) growth rate, land supply would be all but exhausted by 2029, whilst under the high growth rate land supply would be exhausted by 2022. Newplan predicted that land shortages for some of the housing sub-markets would be experienced sometime between 2016 and 2020.

The Updated OSSS also considered the findings of the BOC in relation to rural residential housing, and noted that

smaller lifestyle allotments than have been traditionally offered the market in Orange (that is, of around 4,000m²) were now much more preferred. The fact that current rural residential zones do not permit holdings of this size may also be a factor in recent low lot creation statistics. The Sub Regional Strategy identified potential future lifestyle allotment areas to the north east of the city centre (refer Figure 2.3). Of these areas, it would be appropriate for land adjacent to Narrambla, between Leeds Parade and Ophir Road to be zoned for rural residential purposes first, with the adjacent Charles Sturt University site being a potential lifestyle allotment development opportunity in the long term.

However, it would also appear that there may be market demand for a housing segment (dwellings on lots of 4,000m² to 2 hectares) that is not being fulfilled because current minimum allotment requirements for land currently zoned for rural residential purposes prevent it.

The OSSS Update provided an update to the Structure Plan provided in the OSSS, and this plan introduced land unit 13, which incorporated the current abattoir (Lot 15) but did not extend into the remainder of the subject site to the north. The CSU area to the south and south-east of the subject site was identified for use for rural residential purposes in the medium to long term.

Of specific relevance to this report, it is noted in the OSSS Update that Orange Council resolved in November 2008: *that SA B (North Clergate) be excluded from consideration as an industrial area and retain its current rural planning provisions*. This is also reflected by its consideration for potential rural residential development via the 2012 BOC Update.

2.1.3 BLAYNEY CABONNE ORANGE RURAL AND INDUSTRIAL LAND USE STRATEGY 2008

2.1.3.1 Background

The *Blayney Cabonne Orange Rural and Industrial Land Use Strategy 2008* (BOC) was prepared in 2008 to guide rural and industrial development in the three Council areas in an inclusive manner for a 30 year future horizon.

In relation to residential and rural residential subdivision, the BOC contained population projections suggesting that outer lying areas of Blayney and Cabonne were likely to see population decline. Rural residential development was to be directed in a coherent manner that reduced sprawl and ensured that the viability and atmosphere of the rural landscape was not compromised.

2.1.3.2 Population projection

The BOC identified the estimated population of the region as 58,000 persons (in 2008).

The BOC Local Profile Paper identified historical growth within the subregion of 0.5%/annum for the period 1991-2006 (Blayney – 0.7%, Cabonne – 0.4% and Orange – 0.5%). It was however noted that in the period 1991-2001 the western areas of Cabonne and southern areas of Blayney experienced population decline, whilst those areas within commuting distance of Orange experienced growth of 1.8% (Cabonne) and 0.5% (Blayney).

The Local Profile Paper adopted growth projections released by the Transport and Population Data Centre in 2005, as reflected below:

Table 2.1 –Population projections

Statistical Local Area	2001	2031	Average annual change
Blayney Part A	4,790	5,460	0.5%
Blayney Part B	1,740	1,700	-0.1%
Cabonne Part A	2,80	2,890	1.1%
Cabonne Part B	890	1,340	1.7%
Cabonne Part C	9,470	9,131	-0.1%
Orange	37,000	44,150	0.6%
Sub-Region	58,071	56,702	0.5%

2.1.3.3 Strategic land identification

An outcome of the BOC was the identification of Strategy Areas (SA's) for both industrial and rural residential development. Of relevance to this report was the identification of SAB (industrial) and SA2 (rural residential). As noted in **Figure 1**, the subject site is partly located within SAB and SA2.

As can be seen from **Figure 1**, SA2 is formed of the eastern part of the subject site, together with land to the east which is in private ownership and land to the south, owned by the University. SAB occupies the western extent of the site, bounded by the Main Western Railway Line, Pearce Lane and the former abattoir land to the south. The area of the former abattoir is not reflected in the BOC by virtue of its current industrial zoning. It is understood the industrial zoning of the former abattoir site reflects in use for this purpose since the early 1900's. The site has remained relatively isolated from other industrial land by virtue of the Main Western Railway to the west and the university land to the south. Industrial land to the south (adjacent to the Northern Distributor) has been recently approved (and construction has commenced) for a large format hardware and building supplies store; a land use permissible in the industrial zone but equally at home in a bulky retail goods zone. That site is separated from the subject site by B7 zoned land, further compounding the sites isolation and enhancing the likelihood that an industrial use of the subject site would result in interface issues with surrounding non-industrial land uses.

The two relevant strategic areas are described within the BOC as:

SA2

SA 2 University is immediately north of the Leeds Parade SA and also adjoins the north-western boundary of the existing Clifton Grove rural residential estate. The SA is bound to the west by the northern extent of Leeds Parade, extending northward to the unsealed road forming the Orange-Cabonne LGA boundary, Ophir Road to the east and the alignment with Banjo Patterson Way within the adjoining Clifton Grove subdivision to the south.

This SA includes Charles Sturt University itself. As such, the entire extent of this SA is not necessarily suitable for future lifestyle development. The eastern part of the SA along Ophir Road would be appropriate for consideration for future lifestyle development, and would not impact on long-term university operations.

The University SA shares many common environmental and locational characteristics with SA 1. The northern half of the SA contains few environmental constraints, with a cumulative weightings of 1 and 2. As the land is adjoining and contiguous with SA 1, it too contains a large north-south spine through the middle section of the site that is relatively unconstrained (Levels 1 and 2). The western and eastern fringes of the SA contain higher levels of constraint (Level 3 and 4) result from the presence of Class 3 soils and the presence of small stands of remnant vegetation. The site is also located within 500 metres of the industrial zoned land centred around Clergate Road.

The University SA shares the same accessibility advantages as the Leeds Parade SA, being located wholly within a 5-kilometre distance the Orange CBD and its range of services. Further, the land is not bushfire prone, slope affected or within drinking water catchments. Thus, with lot layout and designs that incorporate suitable measures to minimise land use conflicts with nearby industrial uses, rural residential development for this land is also considered appropriate and could be pursued.

SAB

Extensions to the existing Clergate Road industrial estate are proposed through the North Clergate SA, which will contribute further to the supply of industrial land around the central Orange area and further reinforce the economic primacy of Orange in the Sub-Region.

SA B proposes a northward extension for the industrial area to the Cabonne LGA boundary and extending eastward onto the eastern side of the railway line. These extensions were determined on the basis of the low to medium level constraints identified by through the constraints analysis, comprising of:

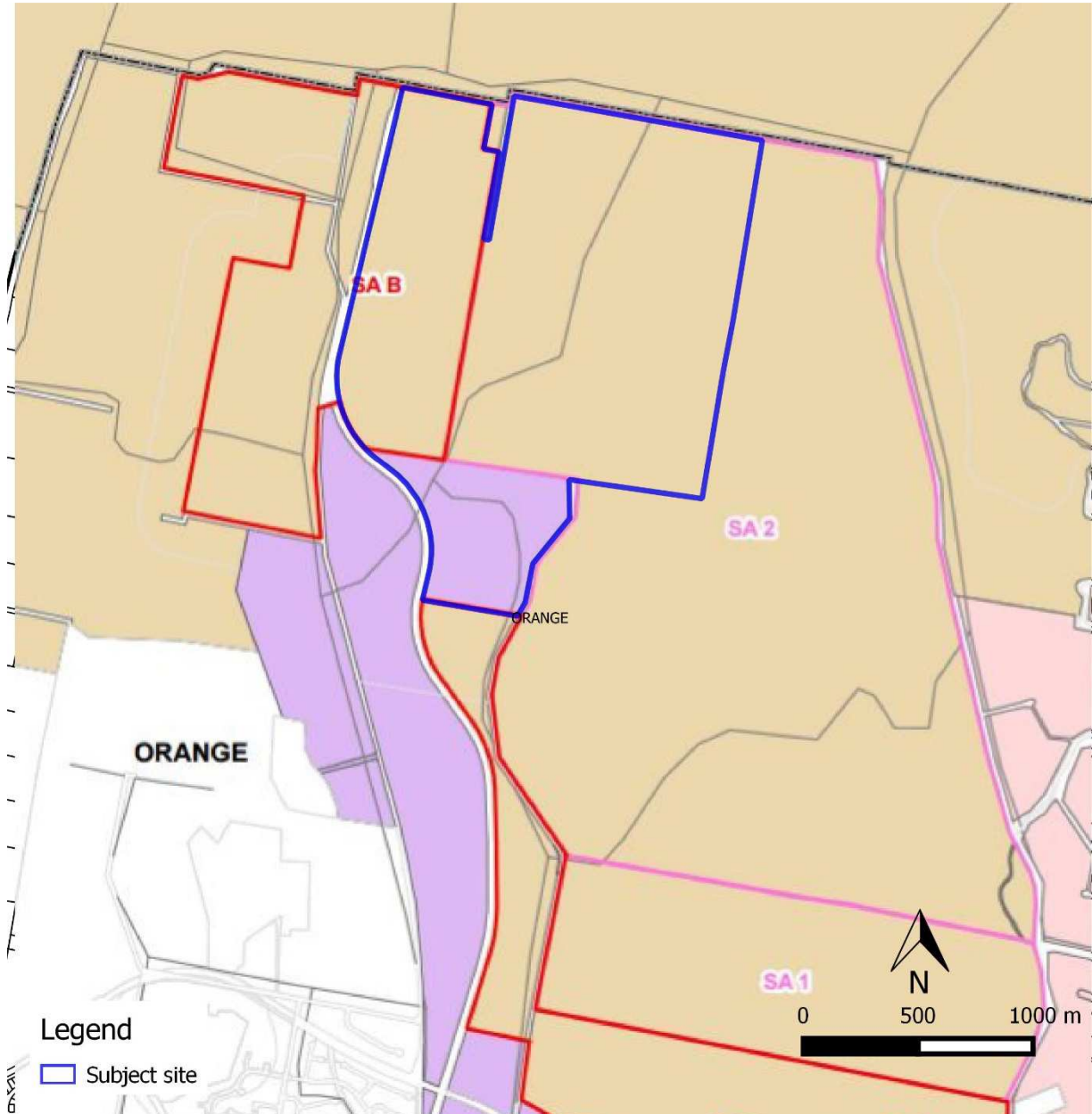
- Class 3 soils present over the southern-most portions of the land, though the existing use of these lands for industrial purposes nullifies any requirement for the protection of these soils for agriculture; and*



- Bush fire prone land impacting the north-eastern most extent of the SA, which can be managed on the site through the adherence of future development in affected areas to the PBP Guidelines.

The SA B North Clergate area would provide opportunities for industrial development that requires large lots, due to size or impacts.

It is noted elsewhere in the BOC that SAB is constrained for primary production usage on the basis that the fragmented subdivision pattern precludes highly productive agriculture.



Broadly therefore the development is consistent with the overarching theme of the BOC, in that it provides development within an identified strategic footprint and thereby limits urban sprawl. It is acknowledged that the development would result in a change in the strategy direction espoused by the BOC, via the removal/reduction of the industrial component and its replacement with an entirely rural residential development. This has a number of implications, significantly the reduction in employment land within the sub-region and an increase in the relative supply of rural residential land in the sub-region.

As noted in **Section 2.1.2**, Orange City Council resolved in November 2008 (post adoption and finalisation of the BOC) that the industrial land in SA B be excluded from consideration as an industrial area and retain its current rural planning provisions. This general position is further reflected in the OCC 2012 and 2015 BOC Updates. The 2012 Update considered the subject site (excluding the former abattoir site) as being generally suitable for rural residential development – refer to **Section 2.1.3.7**.

As noted, the 2015 Update is not formally endorsed, but is reflective that the Council position that this land is not suitable for industrial purposes has been consistently applied. The 2015 Update does not specifically seek that SAB be removed from the BOC but the logical extension of the position provided in the Update is likely to result in this outcome (subject to endorsement). Given the strategic identification of the land to the east of SAB (SA2) for rural residential, it is also logical that the use of SAB for rural residential purposes follow. The detailed assessment of constraints provided within the planning proposal that this document supports provides the justification for this strategic focus.

2.1.3.4 Loss of employment land

The BOC notes that the key drivers of employment growth in the region are mining, agriculture, the local wine industry, construction, manufacturing, commerce/retail services, health and education. Attempts to market the land for these purposes have been unsuccessful for a range of reasons as outlined in **Section 4** of this report.

The analysis at **Section 4** acknowledges the proposal would result in some loss of existing and potential industrial however it is considered that the land is poorly suited for industrial use and that its highest and best use, and therefore most logical use, would be to utilise it for rural residential purposes.

2.1.3.5 Demand and supply of rural residential land

Specific to this planning proposal, the BOC provides an analysis of supply and demand for lifestyle dwellings in the rural areas of the sub-region for the period 2011-2037. This analysis predicted average demand levels of 55 lots/annum across the subregion, with approximately half of these predicted to be required in the Orange LGA. The methodology for this prediction was based on the guidelines set out in the Better Rural Residential Development (Department of Urban Affairs and Planning 2001). It is not stated, but is reasonable to assume, that a reasonable proportion of the half supplied within the Cabonne and Blayney LGAs is in areas that are within commuting distance of Orange.

This report provides commentary on supply/demand in the context of the overarching review of background documents in **Section 3**.

It is noted in that, in respect of rural residential allotments, the BOC local profile identified that:

- *there remained 507 hectares of land in the City of Orange that is zoned for rural residential purposes but which is yet to be developed. Most of this land is located at Clifton Grove (north east of the city centre), west of Ploughmans Creek (north west), and south of the railway at Warrendine (south);*
- *dwellings in all of the rural areas of Orange LGA grew by 492 private dwellings between 1996 and 2006. This accounted for approximately 21 percent of growth in all private dwellings in the Orange LGA;*
- *there needs to be an array of rural residential products available for the different land submarkets – it is not appropriate, say, for the available land to be provided in one location;*
- *there is likely to be demand for an additional 832 dwellings on rural residential or lifestyle allotments in the Orange LGA between 2007 and 2037 – or an average of 28 dwellings per annum.*

The BOC identified that rural residential lots accounted for approximately 55 lots per annum across the sub-region, of which approximately half were located in Orange.

2.1.3.6 Industrial buffers

Appendix E to the BOC provides recommended land use buffers between industrial and competing land uses.

For abattoirs, Appendix E recommends a buffer of 500 metres.

Assuming the zoning of the abattoir site remained, and the use of the site as an abattoir was reintroduced, a buffer implemented in accordance with Appendix E would render approximately 66 hectares (approximately 25%) of the non-abattoir portion of the subject site as undevelopable for rural residential purposes – see **Figure 2**. This contradicts with the intent of BOC and would result in significant interface conflicts between these land uses.

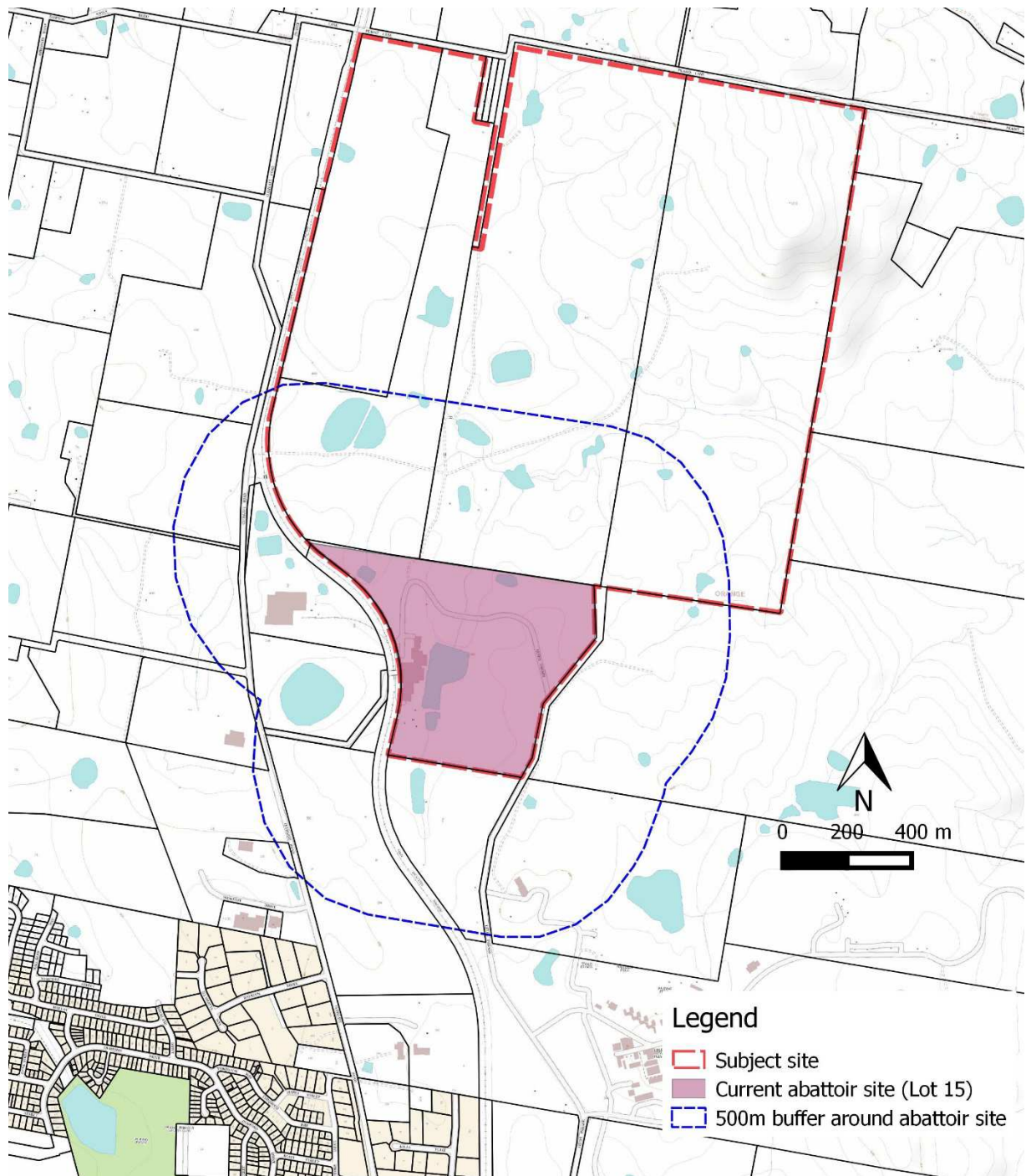


Figure 2: Extent of 500 metre buffer from abattoir site (Lot 15)

Lesser and greater buffers are identified for a variety of land use types from a minimum of 100 metres to a maximum of 5,000 metres. The current owner of the site has spent the last 18 months marketing the site to attempt to identify a 'clean' industry that could safely operate at the site without prejudicing the capacity to develop the remainder for rural residential as per the BOC (ie, with a lesser buffer). This has been unsuccessful, with the only interest stemming from the possible re-initiation of the abattoir use by international investors – refer **Section 4**.

2.1.3.7 2012 BOC Update

Particularly relevant to this report in the context of the BOC, is the 2012 BOC update prepared by GHD in respect of the supply and demand of rural residential land.

The 2012 document provided updated population projections based on data available in 2011 and noted accelerated growth for the 2006-2011 period by comparison to the previous periods and the overall average for the period – refer **Table 2.2**.

Table 2.2 – Projected Population Growth

LGA	2001	2006	2011	Average Annual Change 2001-2011	Average Annual Change 2006-2011
Orange	36,999	37,108	39,480	0.67%	1.28%
Blayney	6312	6593	6985	1.07%	1.13%
Cabonne	12128	12396	12821	0.57%	0.69%

Source: GHD, 2012

The BOC 2012 Update contained an estimate of supply of rural residential lots within the sub-region by reference to size. This estimate identified 195 lots available with sizes of greater than 2 hectares, 2 hectares, 4,000 square metres and 1,500 square metres. Of these only 8 lots of 4,000 square metres were available and all eight were provided in North West Orange. It was further noted that the potential existing for the subdivision of a number of the identified areas down to 4,000 square metres lots, which could result in an overall increase in the total figure of 41 lots.

The Update considered that by consideration of supply versus demand, a shortfall of 119 lots was likely to be expected across the sub-region to 2032.

The Update also makes reference to the potential rezoning of land by Cabonne Council of a number of land parcels (referred to as Windera South, Weemeelah and Mullion Creek) that would contribute approximately 160 rural residential lots. A review of the Cabonne LEP confirms that no action has occurred to progress these projects since the 2012 BOC Update was released. As noted elsewhere, rezonings in Cabonne since the adoption of the 2012 CLEP have provided just 26 rural residential lots, and these are all unserviced subdivisions with land parcel sizes of greater than 1 hectare. They therefore represent a different market than that at which the subject development is targeted.

The development of the subject land as proposed would address the identified shortfall of 119 lots by 2032.

Finally, it is noted that the BOC Update considers a number of candidate sites for potential rezoning to address the 119 lot shortfall. This assessment includes the subject site (excluding the current abattoir lot). This assessment considered that the economic cost of servicing was a barrier to development that made the subject site less desirable than some of the others considered. It is noted that the university land was not included as a potential development area. A further undesirable element of the site was its proximity to industrial (abattoir site) and special infrastructure zones (the university); as such the rezoning of the abattoir land to rural residential would remove another constraint and improve the overall weighting of the site.

In all other respects the site was considered generally suitable. As shown via the concept servicing strategy provided with this planning proposal, the servicing of the land represents a natural extension of existing services and will enable the development of a ring of services that will encircle the site.

Additionally, the land is equally accessible to the urban core and closer to the North Orange shopping centre than all but one of the alternatives considered. This closer alternative is noted in the BOC

Update as being potentially better suited to general residential development rather than rural residential.

The BOC Update considers that the subject site (excluding the abattoir lot) has the potential to supply 424 x 4,000 square metre lots. This is slightly higher than is proposed via this project.

Overall, whilst not as highly rated as some of the alternatives, the subject site is considered a viable development option. The strategic possibility of utilising the western extent of industrial does not appear to have been a factor in the 2012 Update.

2.1.3.8 2015 BOC Update

The recent update to the BOC (prepared in 2015 by Orange City Council to support the proposed LEP amendment in respect of land surrounding the Orange Airport). The BOC update notes that interface conflicts are likely between future industrial development within SAB and future rural residential development within SA2. The BOC provides no formalised or conceptual buffer between these areas and implementing such a buffer would further constrain the capacity of SAB to accommodate the demand levels for industrial land that are predicted for the region.

The BOC Update predicts that the current industrially zoned land in the region is adequate for 5-7 years and provides an analysis of those areas that could be developed to meet this demand, including the subject land, and makes the following comments (refer **Table 2.3**) about the suitability of the land within SAB for industrial/employment land uses:

Table 2.3 – BOC 2015 Review Extract

	Original Reason for IncBOCion	
	Original IncBOCion	Reason for
SAB North Clergate Approx 190 ha		- Extension to the existing North Clergate industrial area - Fragmented subdivision pattern precludes highly productive agriculture - Provides opportunities for industrial development that requires large lots, due to size or impacts
	Current Status	Currently remains zoned RU1 Primary Production. Given the intention of SA2 for residential development to the east and potential future expansion of urban residential lands to the south and west of the site, potential land use conflicts with industrial uses is a concern. Interface issues between the existing North Orange urban area and industrial land needs to be evaluated before any final decision on SA B is made. The BCO suggested the site may provide opportunities for industrial development that requires large lots due to size or impacts. If residential development does occur on either side of SA B then the ability to ameliorate noise impacts, for example, would be compromised. Steep topography in the south-western third of SA B further reduces the attractiveness of the site for industrial development. Large lot industrial development will typically serve as an attractor for other smaller footprint industrial / business development to meet the supply side needs of the major industry. In this regard, if a major industry were to establish within SA B it would likely consume the majority of the flat land available, leaving minimal opportunity for the flow on effects to take hold.

As noted, the BOC Update has been prepared to support a planning proposal by OCC to amend the LEP to provide additional industrial land at the Orange Airport. This planning proposal has received Gateway Approval from the DP&E however as an element of this approval OCC is required to consult on the proposed BOC update with Cabonne and Blayney Council's prior to carrying out draft LEP community consultation. As the position of these Council's is unknown at the time of writing this planning proposal, it is therefore considered that the immanency and certainty of the draft EPI is not assured.

As such, to be conservative, it has been assumed for the purposes of this planning proposal that the BOC Update may not be endorsed and therefore the Airport Amendment may not proceed.

In the event the Airport Amendment did not proceed, the currently identified future industrial land in the east of SAB (approximately 75.8 of a total of 190 hectares, or 40%) and the current IN1 zoned land in the south of the subject site (approximately 35.2 hectares) would be proposed to be removed by this planning proposal (without replacement) and would therefore have the potential to result in a reduction in future employment opportunities within the region.

If the Airport Amendment does proceed as proposed, the loss of the current and future industrial land affected by this planning proposal would be offset such that the overall employment land would be increased within the region.

As noted in **Table 2.3**, the land within SAB is considered to be of questionable value for the provision of desirable and developable industrial land, considering the current nature of industrial land demand within the market. The following additional comments are noted in addition to those provided in **Table 2.3**:

- The land is somewhat isolated from other currently industrially zoned land due to the location of the railway and the B7 land to the south;
- The historical attractors for the site (its isolation from other urban uses and access to the railway line) are now largely negated due to the gradual expansion of the Orange urban area and the decline of rail as a transport method for bulk goods;
- The land has resisted attempts to viable redevelopment due to a lack of interest from investors. The site has laid idle for over 10 years whilst other industrial areas have progressed and new land has been released. It is time to consider alternative uses of the site that make better use of its natural potential.

The planning proposal which this report supports proposes to utilise land which has already been identified within the BOC as being suitable for future development. Broadly speaking therefore, the development is consistent with the overarching objectives of the BOC and the Rural Lands SEPP, namely to restrict fragmentation of primary production land and to restrict urban sprawl. The majority of the land is considered as generally suitable for rural residential purposes within the 2012 BOC Update.

2.1.3.9 BOC Summary

The substantive questions that remain therefore, is the impacts and benefits of:

1. Reallocating the strategic industrial land in the western extent of the site from future industrial to future large lot residential;
2. Reallocating the current industrial zoning of Lot 15 to large lot residential, including the related demolition loss of the currently vacant former abattoir buildings.
3. Upon satisfactorily resolving issues 1 and 2, the final question is consideration of the project in the context of the demand for, and supply of, rural residential land within the sub-region.

These three matters are dealt with in detail in **Sections 3 & 4** of this report.

2.1.4 THE CABONNE SUSTAINABLE SETTLEMENT STRATEGY AND LOCAL ENVIRONMENTAL STUDY 2012 (CABONNE COUNCIL)

The Cabonne Sustainable Settlement Strategy and Local Environmental Study 2012 (CSSS) noted that growth in the Cabonne Council area for the period 1976-2006 was, on average, positive at 0.25%/annum. Variation throughout the period was noted with the period 2001-2006 showing overall population decline for the Council area of 0.23%/annum.

The areas in decline were noted to be the rural areas in the west of the Council area (identified as Cabonne Part C). Parts A and B are considered to be within the Orange commuter zone and showed growth for all periods.

This is reflective of a general trend away from rural areas to urban areas, with better access to services and employment opportunities.

The CSSS adopts a prediction of maximum population growth for the LGA of 0.76%/annum. It predicts the majority of growth will be in the villages of Molong and Canowindra. Other available projections include DoP, which predicts growth to decline to 0% by 2036 (0.12% on average), and CENTROC, which predicts growth of between 0.37% and 1.28% to 2031.

It is acknowledged that growth in the region is likely to exhibit a continuation of current trends, which show a decline in rural areas and growth in the Orange commuter zone.

Rural residential land is noted in the CSSS as being well provided within the LGA and in most areas no additional rural residential lots are considered to be required. It is understood that three small 'spot' rezonings have been endorsed by Cabonne Council and DP&E since the release of the standard instrument CLEP in 2012 for creation of a total of an additional 51 rural residential lots within the areas of the Council close to Orange (Spring Glen – 24 lots) and Eugowra (27 lots). The Eugowra lots were traditionally zoned village and were changed to Industrial via the CLEP. This land use has been resisted by the community and it is understood there has been no take-up of the land for industrial use. It is therefore not considered that this represents true additional provision of lots, given its historical use.

In relation to industrial land, the CSSS notes that with the exception of Manildra there is not likely to be any industry beyond light or rural industries in the other villages. The above noted rezoning of land at Eugowra represented a (theoretical) loss of industrial land however given the historical village use, which enabled a range of uses to occur, the loss is not as significant as it may first appear.

2.1.5 THE BLAYNEY SUSTAINABLE SETTLEMENT STRATEGY AND LOCAL ENVIRONMENTAL STUDY 2012 (BLAYNEY SHIRE COUNCIL)

The *Blayney Sustainable Settlement Strategy and Local Environmental Study 2012* (BSSS) noted that growth in the Blayney Council area for the period 1976-2006 was, on average, positive at 0.05%/annum. Variation throughout the period was noted with the period but remained overall positive.

The southern area of the LGA was noted to be in overall decline with the northern area growing. This is broadly consistent with the findings for Cabonne, which found growth in those areas closer to Orange and decline in those areas further away.

Predicted population trends for the LGA to 2031 were variable by reference source and are summarised in **Table 2.3**:

Table 2.4 – Summary of projected growth

Source	2011	2031	Growth/annum
DoP Projection (2005)	6,770	7,160	0.344%
DoP Projection (2010)	6,900 (2006)	7,300 (2036)	0.19%
WRI Scenario A (2008)	7,281	8,106	0.918%
WRI Scenario C (2008)	7,110	7,494	0.547%
BOC (2008)	6,530	7,160	0.32%
Average growth			0.46%

Source: Blayney Sustainable Settlement Strategy 2012

Rural residential land is recommended via the BSSS to be directed to the areas around Millthorpe. There is also some noted capacity for the areas surrounding some of the smaller villages. There have been no noted spot re-zonings for rural residential since the BLEP was adopted in 2012.

In relation to industrial land, the BSSS notes that, with the exception of Blayney, there is not likely to be any industrial land demand, beyond light or rural industries, in the other villages. Since the adoption of the BLEP in 2012 there has been one amendment to the BLEP to rezone approximately 18 hectares of primary production land to industrial; this was noted to be consistent with the BOC. It was anticipated this would provide approximately 324 jobs at 18 jobs/hectare (as per the 2002 RTA Guide to Traffic Generating Development).

2.1.6 ORANGE COMMUNITY STRATEGIC PLAN 2015-2025

The OCSP identifies that:

The Orange Local Government Area (LGA) population is currently growing at an average rate of 1.8% per annum, requiring new areas for housing, which are being staged through City planning to provide for logical and economic provision of suitable, serviced land. The estimated residential population (ERP) at 30 June 2013 was 40,869 (Australian Bureau of Statistics).

The vision for the community is:

A proud, vibrant community that embraces, fosters and supports natural, social, cultural and economic diversity

The broad strategic direction is identified as:

Our City

The Orange community will embrace and support strong, accountable leadership to ensure effective, long-term inclusive planning and decision-making within the region.

Our Community

The Orange community will support and enhance a healthy, safe and liveable City with a range of recreational, cultural and community services to cater for a diverse population.

Our Economy

The Orange community will plan and grow an innovative, diverse and balanced economy while protecting the character of the City and the region.

Our Environment

The Orange community will pursue the balance of growth and development with the protection and enhancement of the built and natural environment while recognising climate impacts and the diverse needs of the urban, village and rural communities.

2.2 DOCUMENT REVIEW SUMMARY

Growth for the region and town of Orange is varied across estimates and reflects the challenges faced by plan makers in attempting to ensure supply and demand remain balanced.

A summary of the various growth rates predicted for the region is provided in Error! Reference source not found..

Table 2.5 – Summary of projected growth per annum for the region
Table 2.5 – Summary of projected growth per annum for the region

Strategy/Study	Medium	High
Orange Sustainable Settlement Strategy 2004	0.8	1.1
Business Centre Strategy – Review Study 2005 (Leyshon Consulting)	0.6%	2.7%
The Blayney Cabonne Orange Rural and Industrial Land Use Strategy 2008 (GHD)	0.5%	
The Orange Sustainable Settlement Strategy updated 2010 (Newplan)	0.8	1.1
Business Centres Review Study 2010 (Leyshon Consulting)	0.8%	1.1%
The Cabonne Sustainable Settlement Strategy and Local Environmental Study 2012 (Cabonne Council)	0.76%	
The Blayney Sustainable Settlement Strategy and Local Environmental Study 2012 (Blayney Shire Council)	0.6%	
The 2015 Industrial Land Updated (Chapter 16) to the Blayney Cabonne Orange Rural and Industrial Land Use Strategy 2012 (Orange City Council)		
Orange Community Strategic Plan		1.8%

In reference to the significant amount of conclusions identified throughout the above plans, the following specific comments are noted:

- Given the continued use of the university and the apparent conflict between continuing this use and being developed for rural residential development, an alternative to the university land would need to be identified.
- Recent developments in the Murphy's Lane/Gorman Road have resulted in the release of fully serviced rural residential allotments of around the 4,000 square metre size. All indications are that these have been well received by the market and that this size and proximity to town is considered highly desirable.
- Orange Council resolved in November 2008: that SA B (North Clergate) be excluded from consideration as an industrial area and retain its current rural planning provisions.
- A key driver for the identification of strategic land release areas within the BOC was to minimise the extent of fragmentation of primary production land and to provide a clear indication to the community where future development was intended to be situated. The subject land is wholly located within identified strategic release areas and therefore would not lead to additional fragmentation of primary production land.

2.3 ADOPTED POPULATION PROJECTIONS

By reference to current census data, the estimated population has now (as at 2013) risen to 61,894 consisting of 40,869 for the Orange LGA, 7,330 for the Blayney LGA and 13,695 in Cabonne LGA. This represents growth since 2001 of 0.93%, slightly higher than the figure projected in the BOC. By reference to ABS estimated resident populations, the 2015 BOC Update identifies average growth between 1996 and 2014 in the three Council areas as set out in **Table 2.6**.

Table 2.6 – Estimated resident populations in the Sub-Region

	Orange			Blayney			Cabonne		
1996	33964			6025			11944		
2001	35446	1482	0.87%	6120	95	0.32%	11864	-80	-0.13%
2006	35338	-108	-0.06%	6593	473	1.55%	12396	532	0.90%
2011	38057	2719	1.54%	6985	392	1.19%	12821	425	0.69%
2014	41431	3374	2.22%	7409	424	1.52%	13776	955	1.86%
Average			1.14%			1.14%			0.83%

Source: 2015 BOC Update (OCC) and ABS, 2014

These figures suggest growth rates of at least the medium rate (0.8%/annum) predicted by the OSSS (Cabonne), with the higher OSSS figure for Orange and Blayney (1.1%/annum).

Trends identified by a number of the strategic documents suggest there is a general migration away from the rural and isolated areas and consolidation in the larger urban centres, such as Orange. This logically means that whilst, population growth across the region may be growing, growth in the city of Orange would like be growing at a higher rate to support this internal migration.

Population projections released by the DP&E in 2014 for the three Council areas are provided as follows:

Table 2.7 – Total Population Change in the Sub-Region 2011-2031

	Orange			Blayney			Cabonne		
2011	39,400			7,200			13,200		
2016	41,250	1,850	1.3%	7,400	150	0.5%	14,050	850	1.2%
2021	43,050	1,800	1.1%	7,550	150	0.4%	14,850	800	1.1%
2026	44,750	1,700	1.0%	7,650	150	0.3%	15,650	800	1.1%
2031	46,250	1,500	0.9%	7,800	100	0.3%	16,450	750	1.0%
Average			1.08%			0.4%			1.1%

These figures are considered to be somewhat generous.

Supply and demand

3.1 AVAILABILITY/SUPPLY

The BOC Local Profile paper provide an analysis of lot sizes in the three Council areas. In relation to rural residential lots (1(c) zone) with sizes between 1 and 2 hectares (the smallest size recorded), availability is outlined as follows:

- Blayney:
 - 145 Lots, being 1.5% of the total (or 30 hectares)
 - 94 Holdings, being 0.8% of the total (or 18 hectares)
- Cabonne
 - 96 lots, being 15.4% of the total (or 35 hectares)
 - 33 lots, being 8.8% of the total (or 20 hectares)
- Orange
 - 299 lots, being 20.5% of the total (or 308 hectares)
 - 257 lots, being 19.1% of the total (or 286 hectares)

In the three Council areas, the most common lot and holding sizes for rural residential lots are identified as follows:

- Blayney – 40-100 hectares (35.2% of lots and 50.8% of holdings)
- Cabonne – 40-100 hectares (34.2% of lots) and 10-20 hectares (37.7% of lots)
- Orange – 2-5 hectares (47.8% of lots and 47.8% of holdings)

This reflects the traditional and historical trend for the provision of rural residential lots of larger sizes in in the rural areas, with (relatively) smaller lots more common in Orange.

It is noted via the adoption of the BLEP in 2012 that certain land was deferred and remains under the former BLEP 1998. This significant area (approximately 1,800 hectares) was recommended for down zoning from rural residential to primary production, to reflect its constrained nature and higher suitability for large scale primary production. This represents a large proportion of potential rural residential lots that may be removed from the market. Even assuming their retention, their location at a distance from Orange makes them less desirable.

The BOC 2012 Update contained an estimate of supply of rural residential lots within the sub-region by reference to size. This estimate identified 195 lots available with sizes ranging from greater than 2 hectares, 2 hectares, 4,000 square metres and 1,500 square metres. Of these only 8 lots of 4,000 square metres were available and all eight were provided in North West Orange. It was further noted that the potential existing for the subdivision of a number of the identified areas down to 4,000 square metres lots, which could result in an overall increase in the total figure of 41 lots.

The Update considered that by consideration of supply versus demand, a shortfall of 119 lots was likely to be expected across the sub-region to 2032.

The Update also makes reference to the potential rezoning of land by Cabonne Council of a number of land parcels (referred to as Windera South, Weemeelah and Mullion Creek) that would contribute approximately 160 rural residential lots. A review of the Cabonne LEP confirms that no action has occurred to progress these projects since the Update was released. As noted elsewhere, rezonings in Cabonne since the adoption of the 2012 CLEP have provided just 26 rural residential lots, and these are all unserviced subdivisions with land parcel sizes of greater than 1 hectare. They therefore represent a different market than that at which the subject development is targeted.

Giving consideration to the identified shortfall of 119 lots by 2032, the subject development proposes the releases of between 10 and 20 lots per year for a period of 20-40 years (dependent on demand).

Assuming conservative release of 10 lots per year would result in 140 lots by 2032 (assuming commencement of the development by 2018). This is generally consistent with the identified shortfall.

3.2 DEMAND

The BOC Local Profile Paper highlighted the findings of 2004 Newplan report prepared for Cabonne Council to consider the demand for lifestyle blocks with commuting distance of Orange (defined to be within approximately 20 -30 minutes' drive of Orange). This report found that this defined area saw growth in the 15 year period of 1996-2001 of 2.7%, significantly higher than the 0.5% average growth rate across the sub-region. This is reflective of the attraction of living close to Orange and its amenities.

It is noted that the subject site is less than five minutes' drive from the North Orange shopping centre and less than 10 minutes' drive from the Orange urban core. It is therefore a unique opportunity given its proximity to town and its services.

The BOC identified demand for rural residential lots in the sub-region of 55 lots per year, with approximately half of these located in Orange. Of the remainder, it is expected a high proportion would be located within commuter range of Orange.

The BOC demand estimate was predicated on modest population growth rates as shown in **Table 2.4**.

The review of strategic documents has shown a spike in recent growth that would also generate a spike in demand for rural residential lots. The BOC Update predicts a shortage of 119 rural residential lots across the sub-region to 2032, but notes that localised shortages in land supply in certain sub-markets may be seen as early as 2016. It is therefore anticipated that demand for rural residential housing is likely to in fact be higher than the demand levels reflected in **Section 3.1** above.

3.3 SIZE CHOICE

Another factor alluded to in various reports is the demand for rural residential lots that are close to town and benefit from town services. As reflected in **Section 3.2**, smaller rural residential lots have not traditionally formed a large proportion of the overall market. As reflected by the 2010 Update to the OSSS, demand for smaller lots closer to the urban area but which retain a rural aesthetic is increasing and the market has duly responded. Discussion with local real estate agents supports this position as evidenced by the correspondence attached to this paper – **Appendix A**.

Due to the historical lack of this housing type in the market it is conceivable that members of the population who desire this form of housing type have remained in their current location rather than moving into other available rural residential lots.

The Strategic Document review supports this hypothesis as it shows that rural residential areas in the immediate surrounds of Orange have shown higher growth than in other areas of the sub-region.

3.4 LOCATIONAL CHOICE

People want to be close to employment opportunities and therefore demand for lots within commuting distance of Orange are highly sought after. Equally, demand for lots a distance from Orange is considered to be lower as people are increasingly less willing to travel. The strategic document review has shown that the trend for growth is in the areas that are proximal to Orange and increasingly that provide a rural setting with urban facilities.

The subject site is uniquely placed to provide this.

Employment land

4.1 INTRODUCTION

As the proposal would result in the loss of approximately 110 hectares of existing and future industrial land, it is acknowledged that the development has the potential to impact employment generation within the sub-region.

Careful consideration of the potential for this has identified that, for a range of reasons, the rezoning of the land for rural residential development is a logical outcome. These reasons are discussed in the following sections.

4.2 LAND USE

There are two elements to the site; the existing abattoir site, which features the former abattoir buildings and infrastructure, and the current primary production land to the north-west, identified via the BOC as future industrial land.

The Orange abattoir was originally developed in the early 1920's on the subject site. The site was historically chosen for its isolation from other land uses and connections to rail, then the primary method of moving large quantities of stock and produce. Since that time there has been a gradual decline in the use of rail for movement of freight which has significantly reduced the benefit of this siting. This is reflected in the removal of the former siding that previously served the site.

The abattoir operated for many years and was redeveloped at substantial cost in around 2002. The upgraded abattoir was bought and operated for around two years until 2004 at which time it was closed and all infrastructure that could be, was removed and liquidated. The land has laid idle since that time. Efforts to find an alternative use for the site by the current owner are set out in **Section 4.3**.

The site is not directly linked to any other industrial zoned land; land to the west is zoned for industrial purposes but the sites are separated by the Main Western Railway line, which bounds the western boundary of the site. To the south is land identified for future commercial land uses and land to the east is occupied and utilised by Charles Sturt University. The site is therefore poorly sited for developing linkages with other industrial land uses. Potential users located in the industrial area to the west are currently required to travel south to the closest public rail crossing via the NDR, and then travel north via Leeds Parade to access the site. This poor linkage has been considered a barrier to logical development by potential users – refer **Section 4.3**.

The BOC identifies the land to the east (currently the university) and the land to the north-east as being suitable for rural residential land uses. This represents a considerable interface conflict between operating the subject land for industrial purposes and the successful development of these adjacent areas for rural residential purposes (refer **Figure 3**).

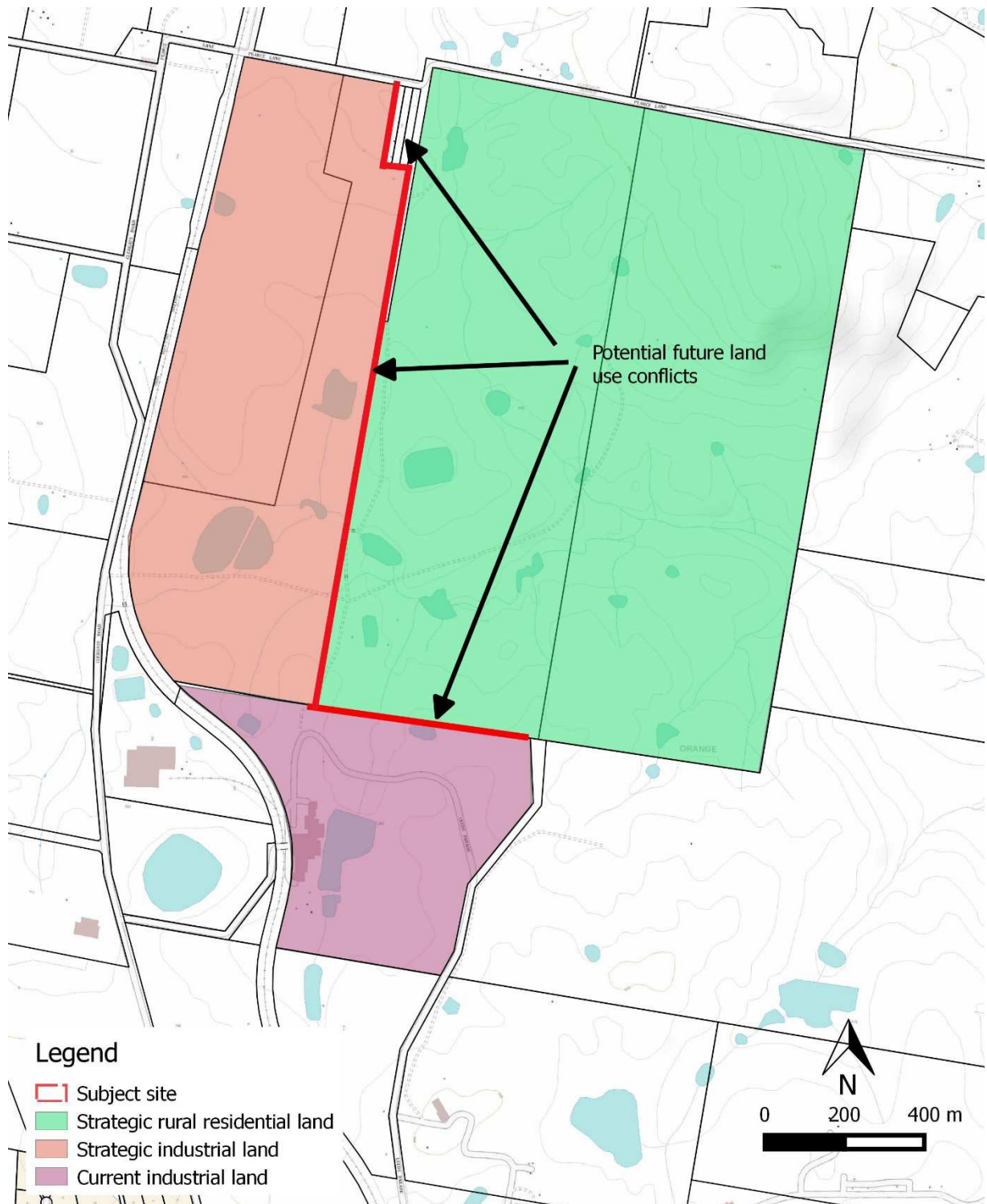


Figure 3: Identification of strategic land including land use potential conflict areas

Upon review of the BOC in November 2008 Orange City Council resolved not to pursue an industrial land use for BOC strategic area B (SAB), which incorporates the subject site.

The substance of this resolution was subsequently reflected in the 2012 BOC Rural Residential Update which considered the suitability of the subject site for rural residential purposes and considered it had the capacity to provide 424 x 4,000 square metre lots. The 2012 BOC Update found the site was considered generally acceptable subject to some constraints, primarily around servicing.

This position was further reflected in the 2015 BOC Update prepared by Orange City Council to support the Orange LEP Airport Amendment, which determined that the land within SAB was poorly suited to industrial land uses and unreasonably restricted the aspirations for development of the land to the north (within Cabonne Council) for non-industrial purposes.

The strategic position has therefore somewhat evolved from the position identified in the BOC. Key drivers in the preparation of the BOC was to provide a structure for the development in the region that ensure sprawl and fragmentation of rural is limited.

This proposal does not propose an action that would promote or result in sprawl or fragmentation. This BOC acknowledges the fragmented nature of the site and its unsuitability for productive primary production. The proposal applies to land identified as being suitable for urban purposes. The proposal is therefore consistent with the core land use principles of the BOC.

4.3 ALTERNATIVE USES

The current owner approached Orange City Council on his acquisition of the land and discussed the best opportunities for utilising the site. It was considered to represent a prime opportunity to deliver a large scale employment generating use. What followed was two years of unsuccessful marketing via rural and industrial specific estate agents who considered and actively marketed the site for a range of suitable uses including:

- *Dairy Milk processing and Milk powder manufacturing (world export market demand);*
- *Flour Milling (pending world major export market demand).*
- *Re-instate for operation as a modern Abattoir, meat processing and branded boxed meat for export;*
- *Fruit & Vegetable processing for direct export;*
- *Specialist Flour products (e.g. pasta, gluten & starches);*
- *Stock feed and ethanol from grain (domestic & export markets);*
- *Barley milling & manufacture of malt to brewing industry (domestic & export markets);*
- *Oil seed crushing & processing of both edible & commercial oils from Canola & sunflower (domestic and growing export market demand);*
- *Rail, container, distribution and storage (with associated cold/cool storage facilities);*
- *Transport and commercial logistics (e.g. depots);*
- *Country NSW Wool receiving and auction centre (decentralise out of Sydney);*
- *Many and varied agricultural pursuits to end processing including regional rural production (wool, fruit & veg, centralised winery);*
- *Brewery and apple cider production facilities;*
- *Veterinary and animal health/research laboratories (adjoin rural land available). This could be a great opportunity to relocate Sydney University Veterinary animal health and dairying campus out of Camden to a central located position in Regional NSW.*
- *Mining Management and remote control centre;*
- *Large format warehousing/major wholesale distribution;*
- *Large regional online grocery, home products merchandising and delivery distribution;*
- *Telecommunications and call centre;*
- *Data processing & storage, filming and ancillary services (taking advantage of cool climate);*
- *Information technology centre;*
- *Educational and administrative purposes;*
- *University, Lecture Halls and accommodation (adjoining C.S.U.);*

- *Large format retail and merchandising;*
- *Conference/function rooms, academic or research applications;*
- *Exhibition/event space;*
- *Hotel, hospitality and tourism (including food preparation and restaurants);*
- *Accommodation spaces (including commercial residential space and retirement village use);*
- *Foreign University, animal health & food research facilities (adjoining C.S.U. campus);*
- *A standalone campus adjoining C.S.U. for the proposed medical school for rural NSW.*

Interest in the site has been limited to interest from foreign investors who propose the reintroduction of an abattoir operating a killing floor only (ie, no de-boning or cutting out).

As explained by the applicant, the model favoured by these potential investors would involve minimal job creation (in the range of 25-40) for a killing floor only abattoir, with de-boning and cutting out to occur off-shore. The benefit to the sub-region in this context would be minimal (as the small number of staff are not likely to be locally employed) and the cost to the site would be high, as the majority of the 290 hectares would need to be utilised for the irrigation of waste water and to provide adequate buffers to surrounding land in respect of noise and odour.

Waste water would be irrigated through the existing irrigation pipes located within the site (historically installed by Wool Topmaking) and linked with the large turkey nest dam in the centre of the site. The re-use of the abattoir buildings would introduce flow on effects to potential rural residential land such as noise from penned animals (bellowing etc) and odour from waste water ponds. Impacts of this nature would not be conducive to the peaceful use of adjacent land for rural residential purposes and would lead to the sterilisation of the site for both of the purposes identified in the BOC. A proposal that is generally consistent with the intent of the BOC would appear to be a more favourable outcome for the sub-region, both in terms of the provision of a high quality rural residential estate, but also via the provision of employment in relation to the development of the land.

Notwithstanding that a clean industry could be accommodated at the site with a smaller buffer, the reality remains that the interest from the market has simply not been forthcoming. The site is identified by potentially interested investors as costing too much to either retrofit for a non-abattoir purpose, to be too expensive to demolish and rebuild on for an industrial/employment purpose, to be too isolated from other industrial land uses and to be too constrained from an access perspective.

As unfortunate as it is, the most appropriate use of the site is for the demolition of the abattoir buildings and the change of the land use to a rural residential zone. This is considered to be more reflective of the strategic vision of this portion of the city than a fully industrialised scheme.

The current owner has exhausted time, effort and finances to market this as a viable operation and has been unsuccessful. It is considered reasonable that the developer look at viable alternative uses that are generally consistent with the strategic framework for the area.

A further significant barrier to an alternative employment use of the site is the abattoir buildings themselves. They represent an extensive array of buildings with in excess of 6,500 square metres over two levels. As a purpose built abattoir, to retrofit it for another use (other than abattoir) would conceivably be more costly than the development of a purpose built facility. To demolish the building would add a significant overhead to any industrial project. There is also some (although limited) asbestos within the building which would further add to the cost of such a work. To justify the upfront cost of demolition, there must be some confidence that the profit of the final development will be guaranteed. The positioning of this proposed subdivision in such close proximity to town, and the high quality of the final product, will ensure that it is a legacy for the site that justifies the necessary upfront costs.

4.4 EMPLOYMENT LOSS

It is accepted that the rezoning of the current industrial land to large lot residential results in the loss of employment generating land. However, as it has lay unused for over 12 years, it has difficult to quantify the extent of the impact. Various figures exist for predicting the number of jobs generated by the development of industrial land. Figures provided within the RTA Guide to Traffic Generating Development (2002) suggest 18 jobs per hectare for industrial land. Recent assessment by RedeConsult for the Orange LEP Airport Amendment specific to Orange suggests that industrial land generates on average approximately 25.6 employees per hectare.

Additionally, the rezoning of the future industrial land in the west of the site has the potential to result in a loss of future employment opportunities. Although it is noted that should the abattoir re-establish, at least some of the remainder of the site would need to be held over for irrigation of waste water from operations, meaning that it could not also be developed for industrial or rural residential purposes.

These figures are useful for providing a prediction of jobs should the land be developed for traditional industrial purposes, but are less useful in the event the abattoir development be re-initiated.

A clean industry that enabled other industrial uses to occur without restraint has the potential to generate between 1,998 (RTA) and 2,842 (RedeConsult) jobs across the site.

An abattoir development however would be likely to develop only 40 (minimum) to 80 (maximum) jobs. Assuming growth of the operations of the abattoir also assumes growth in external impacts including the potential for odour (a historic issue for the site) and the need for additional land for irrigation of waste water. This therefore not only precludes the possibility of development for industrial purposes, but also significantly reduces the likelihood of development for rural residential purposes of the remaining land.

Alternatively, the development of the entirety of the site would result in the development of between 400-450 lots over the lifetime of the project (between 15-20 years). Civil construction would be necessary in the early years to ensure the land is suitable for housing development, such as through the undertaking of earthworks, demolition of the abattoir buildings, construction of roads and the provision of essential services (power, water, sewer, gas etc). Therefore the development would entail a rolling program of work that would provide employment for an extended period.

A number of studies have considered the extent of employment (full time equivalent) generated by the construction of housing. For example, a 2014 study in America found that each single family home constructed generated 2.97 jobs (The jobs are given in full-time equivalents (full-time equivalent is enough work to keep one worker employed for a full year based on average hours worked per week in the relevant industry)). Jobs are generated not only in the construction industry, but also in the related industries such as manufacturing or professional roles such as architecture and real estate. Assuming a conservative 400 dwellings for the project, this would generate 1,188 jobs. Whilst this is acknowledged to be a smaller number than those potentially created should the land be developed for traditional industrial purposes, it is significantly more than if the abattoir use was re-established, with the commensurate loss of land for buffers and waste water irrigation purposes.

As stated throughout this report, it is considered there are a range of reasons why the likelihood of this land being developed for industrial purposes, is low.

4.5 UNIVERSITY

The proximity to the Charles Sturt University campus is also relevant. The site is a University as a result of a historical bequest relating to the provision of agricultural studies. Identification of part of the land for rural residential purposes (as per the BOC) has not been formally investigated and it is noted that the 2012 BOC Update did not consider this land as being a candidate for future residential development.

4.6 LOGICAL PATTERN OF DEVELOPMENT

The subject site is located on the edge of the proposed long term ring infrastructure identified by Orange City Council as being needed to service the area. The subject site is on the edge of this ring but is still less than 10 minutes' drive from town. As noted above, the potential development of the university land for rural residential purposes is considered to be of a low likelihood.

Conclusion

5.1 CONCLUSION

From a review of the relevant strategic documents and consideration of the supply and growth equation it is apparent that not only is there an identified shortfall in supply of rural residential lots in the lifetime of the current strategy period, but there is also a specific demand for serviced rural residential lots that are not so large that maintenance is time prohibitive.

The proposal site provides a unique opportunity to meet this demand in a location that is close to town and its amenities, and close enough that servicing is not cost prohibitive.

The project proposes the rezoning of existing and future industrial land. This report has shown that the likelihood of development occurring on the current industrial land is low. The site has lay idle for over 10 years and despite aggressive and diverse marketing for a range of industrial uses, interest has not turned into development. Investigations have revealed that there is demand for the use of the entirety of the site for rural residential purposes and this translates to an opportunity to provide a development that would be to the advantage of the City of Orange and the residents of the sub-region.

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Appendix A

REAL ESTATE CORRESPONDENCE