

6.1 PLANNING PROPOSAL - LAND SALES

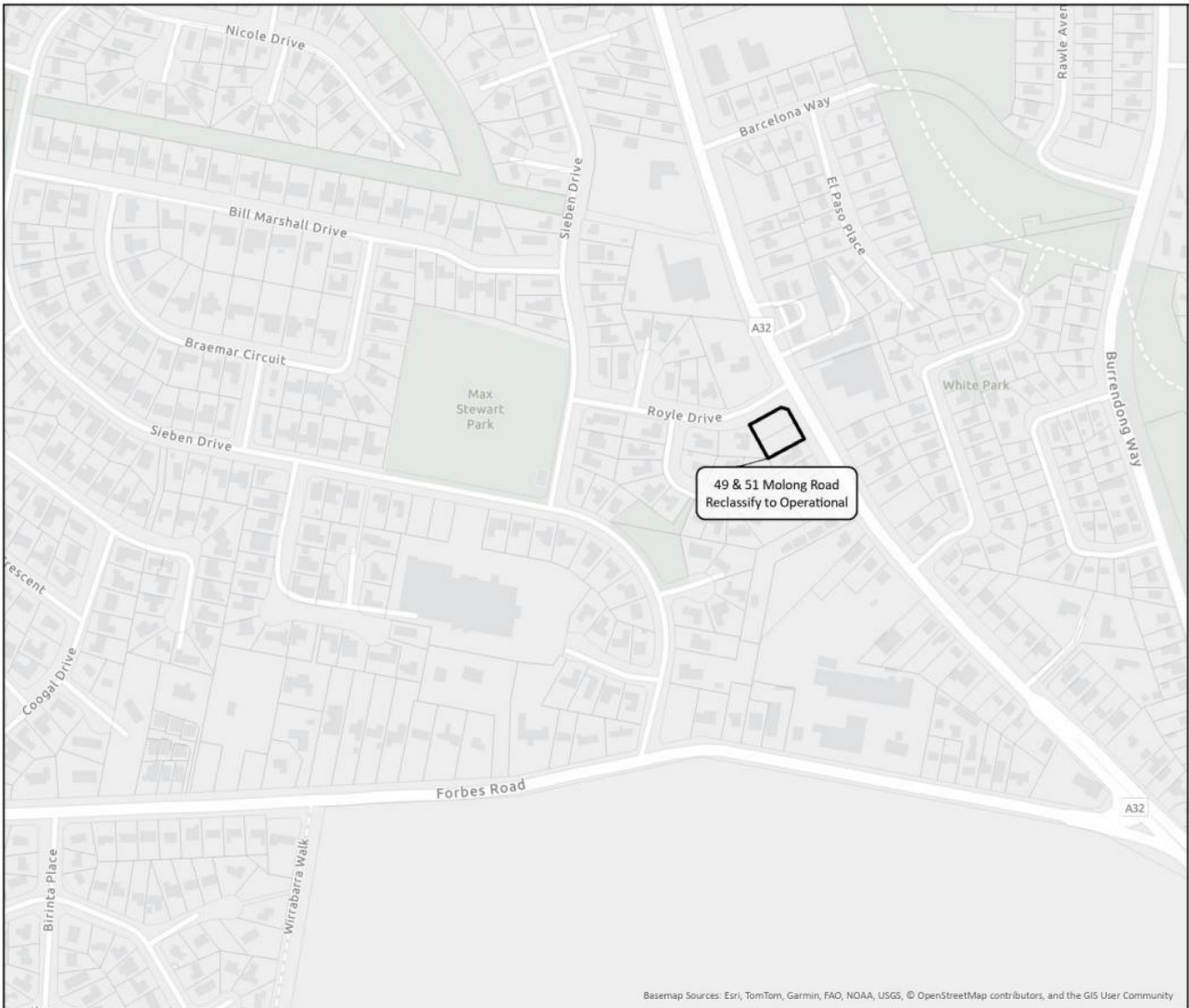
RECORD NUMBER: 2025/948
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REASON FOR CONFIDENTIALITY

This item is classified CONFIDENTIAL under the provisions of Section 10A(2) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to (d)i commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

EXECUTIVE SUMMARY

Following a recent Council Land Portfolio Review, parcels of Council land at 49-51 Molong Road were identified as sites that seem to be superfluous and have the potential for sale to allow private development. Due to the current zoning or land classification both sites require a Planning Proposal before being able to proceed with the sale of the land.



49-51 Molong Road is already zoned for residential development but is classified as on our LEP Land Register as Community Land within the meaning of the *Local Government Act 1993*. In order for this site to be sold and developed, the land must be reclassified to 'Operational Land'.

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It is assumed this land classification arose by the default position of the Local Government Act, which automatically classifies Council land as 'Community Land' within three months of acquisition unless Council specifically resolves to hold the land as 'Operational Land'. The fact that these lots were constructed with a driveway access/water/sewer services indicates there must have been an intention at the time to build on the sites.

Accordingly, staff have prepared the attached draft Planning Proposal. If Council resolves to progress with the Planning Proposal this would commence a process that involves the Department of Planning and also a formal process engaging with neighbours and the community. Council will also have the opportunity towards the end of that process to confirm that the reclassification goes ahead (that is, this report only starts the process, it will come back to Council for final determination after consultation, as is the case with any rezoning in the City.)

This site was visited during the Councillor inspections on Friday 9 May 2025.

LINK TO DELIVERY/OPERATIONAL PLAN

The recommendation in this report relates to the Delivery/Operational Plan Strategy "8.1. Plan for growth and development that balances liveability with valuing the local environment".

FINANCIAL IMPLICATIONS

The Planning Proposal is an initial step towards ultimate sale and disposal of Council land. The proceeds of any sale will be returned to Council. The funds would be held in the property fund for future Council developments and projects. This could include for example repayments on the conservatorium or as a co-contribution when receiving grant funding for a future project, such as an expansion at the Orange Regional Airport or similar.

Additionally, disposal of the land will remove the ongoing cost of maintenance.

POLICY AND GOVERNANCE IMPLICATIONS

Nil

RECOMMENDATION

- 1 That Council resolve to forward the attached Planning Proposal to the Department of Planning Housing and Infrastructure for a Gateway Determination.**
- 2 That upon receipt of a Gateway Determination staff proceed to work through the conditions of the Gateway Determination in order to undertake public and agency consultation.**
- 3 That once public exhibition is concluded, and in accordance with any requirements of the Gateway Determination, staff arrange a public hearing into the reclassification of the property in accordance with the Local Government Act 1993**
- 4 That following the conclusion of the public hearing and earlier public exhibition staff review submissions and provide a further report to Council to consider finalisation of the amendment.**

FURTHER CONSIDERATIONS

The recommendation of this report has been assessed against Council’s other key risk categories and the following comments are provided:

Reputation/Political	Rezoning and reclassification of Council owned land is likely to attract attention and may be a concern for nearby residents accustomed to the land being vacant. Concerns around what is likely to be developed once sold to private interests are difficult to address as any of the uses permitted within the R2 zone become possible and this may be more intensive than neighbours / residents initially anticipate.
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SUPPORTING INFORMATION

OBJECTIVES AND INTENDED OUTCOMES

The primary objectives of the proposal are:

- To make efficient use of existing public infrastructure and services.
- To dispose of surplus Council owned land and reduce maintenance costs.
- To supplement the supply of residential land on the market for infill development.

EXPLANATION OF PROVISIONS

The objectives of the proposal will be achieved by:

Reclassification of land at 49 and 51 Molong Road (Lots 4 and 5 DP790829) from Community Land to Operational Land within the meaning of the *Local Government Act 1993*.

NEED FOR PROPOSAL

Following a land portfolio review the subject land has been identified as surplus to Council needs. Ongoing maintenance of the land represents a cost to ratepayers and an inefficient use of public infrastructure such as roads, sewer and water and the like. The sites are within an established residential neighbourhood and the community is experiencing pressures on both housing affordability and availability. Reclassification will enable the subject land to be disposed of on the open market representing an efficiency for Council, additional supply added into the market and a return of capital to property fund that can then be used for other projects of broader community benefit.

STRATEGIC MERIT

The Planning Proposal demonstrates strategic merit through the alignment with a number of Regional and Local Strategies, being:

- Central West and Orana Regional Plan 2041
- Orange Community Strategic Plan 2022-2032
- Orange Local Strategic Planning Statement
- Orange Local Housing Strategy

The Planning Proposal seeks to reclassify land within an already established urban area, reducing the consumption of greenfield land and promoting sustainable development through residential infill development, aligning with the priorities and actions of the above Strategies. The reclassification will increase the availability of urban land for diverse housing types and will assist in providing housing for the local workforce contributing to Orange’s economic resilience.

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In addition to the alignment with above Strategies, the Orange Recreation Needs Study (2008) recommended that Council finalise a review of parcels of open space considered excessive to current and future recreational needs of the community. Once identified these sites were to be sold with proceeds being directed towards specific recreation facilities and other open space assets. This recommendation was carried through to the 2011 Recreation Needs Study Review which remains in draft.

SITE SPECIFIC MERIT

These lots were created as a result of a subdivision approved in October 1988. A report to the Council meeting which addressed two adjoining subdivision DA’s states:

“Three areas of public open space are to be provided under these applications. These are a Basic Sports Unit located to the east of the centre of the site, a public reserve along the western extremity of the site adjacent to Ploughmans Creek, and a small area of land at the eastern extremity of Sieben Drive which essentially is an extension of an existing public reserve provided in the Brouwers subdivision. These plans do not include any isolated small pockets of land which serve no real purpose and which present considerable maintenance problems to Council.”

It’s believed that the “Basic Sports Unit” refers to what is now Max Stewart Oval. The public reserve at the western extremity is now part of Coogal Park, and the small area at the eastern extremity refers to the northern part of what is now Sieben Park. **Figure 5** below shows these open space areas in blue and subject site in orange. Therefore, Councils acquisition of the subject land was not part of the open space requirements of the day, and the report at the time appears to argue against small pocket parks as serving no real purpose.



Figure 5 showing approximate area of original subdivision, open space provided and subject site.

Exactly how these additional residential lots came into Council ownership is not understood. As detailed above the land at 49-51 Moolong Road was not acquired to satisfy public open space requirements as that was already provided for with what is now Max Stewart Oval, Coogal Park and Sieben Park. Records confirm that the developer paid the full amount of contributions that were required at the time, and there is no significant vegetation on the site, other than three mature trees within the road reserve or along the street boundary, that might have warranted the dedication to Council.

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What is apparent is that the lots are fully serviced for water and sewer with connections in place and 51 Molong Road even has a driveway layback in place along Royle Drive. This strongly suggests an intention for the lots to be developed for housing at some point.

The Planning Proposal seeks to reclassify 49 and 51 Molong Road (on the corner of Royle Drive) from Community Land to Operational land within the meaning of the Local Government Act 1993. These lots are already zoned R2 Low Density Residential under the Orange Local Environmental Plan 2011 but defaulted to a Community Land classification when first acquired.



Figure 6 – Streetview into 49 – 51 Molong Road showing estate entrance wall (June 2024)

The view in **Figure 6** shows the southern side boundary of 49 Molong Road and the curling section of the estate entrance wall that protrudes deep into the lot. Once sold, it is likely that the estate entrance wall, which is approximately 1m in from the street boundary will be removed to facilitate residential development. In turn the significant amount of material banked up behind the wall will likely be spread out to provide a more level site. The image also confirms there is no conflict with street trees and any future driveway onto Molong Road at this location. To the right of frame a highway sign and power pole may limit potential for a driveway along the northern boundary.

Note at the left edge of frame the southern neighbour at 47 Molong Road has erected an arched Arbor along the property boundary enabling pedestrian access directly into 49 Molong Road presumably as a short cut indicating they may perceive this as public parkland.

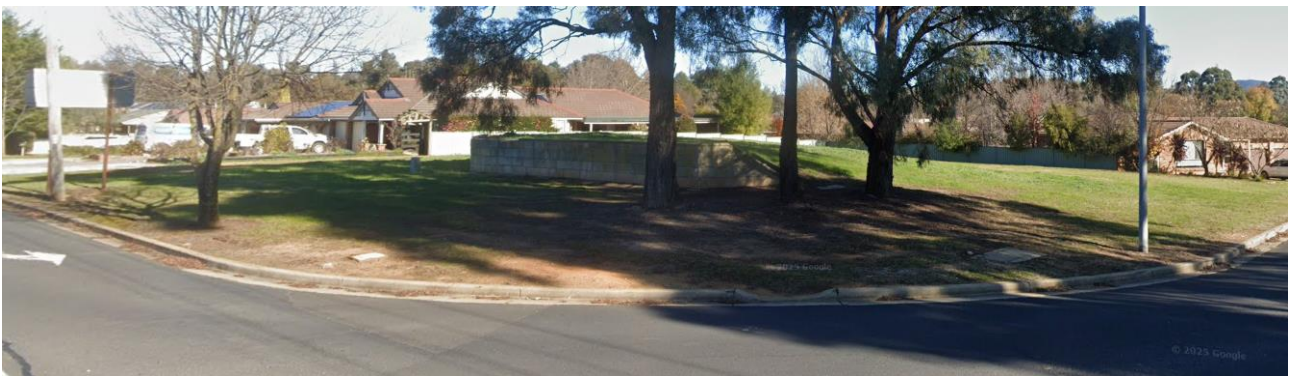


Figure 7 – Streetview into 49 – 51 Molong Road (June 2024)

The view in **Figure 7** shows the corner with Royle Drive and a cluster of three mature eucalypts trees. One or two of which could be on the property boundary and may conflict with future front fencing. The mature Eucalypts trees are clear of overhead powerlines allowing them to reach their full mature height. As such they make a generous contribution to the streetscape of Molong Road and efforts should be made to ensure they can be retained. This may involve a minor dedication of part of 51 Molong Road to ensure they are not lost to street boundary fencing of a future development. It is recommended that Council undertake a survey to establish / confirm the location of each tree and if required consider a small boundary adjustment to ensure retention of the trees in the road reserve prior to any sale.



Figure 8 – Streetview into 49 – 51 Molong Road showing land banked up behind entrance wall (June 2024)

Figure 8 shows the remainder of the Royle Drive frontage of 51 Molong Road. The image shows the impressive size of the corner eucalypts, and that this frontage is clear of any other street trees. There is a street light pole and stormwater drain at the western end of the property, however, an existing layback for a potential driveway is already in place, demonstrating that the site can be readily accessed without conflicting with public assets.

Due to the location of the site and the surrounding open space provisions the site is often observed as vacant.

Provision of Open Space

Council staff have undertaken an analysis against the criteria of the NSW Government Architect, Draft Green Places Design Guide (2020) to determine the provision of open space within the locality. Whilst 49-51 Molong Road is zoned R2 Low Density Residential the analysis remains relevant to the site as it is classified for community use as per the *Local Government Act 1993*.

Draft Greener Places Design Guide (2020)

1.4 Criteria	Performance Indicators	Comments
<p>Accessibility and connectivity.</p> <p><i>Ease of access is critical for the community to be able to enjoy and use public open space and recreation facilities.</i></p>	<p>Local access - medium-to-low density areas <60 dwelling/hectare are within a 5 minute walk/400m walking distance to a local park barrier free.</p>	<p>A 5 minute walking catchment analysis (excluding the subject sites) has identified that there is adequate provision of local access to the district and local open space.</p>

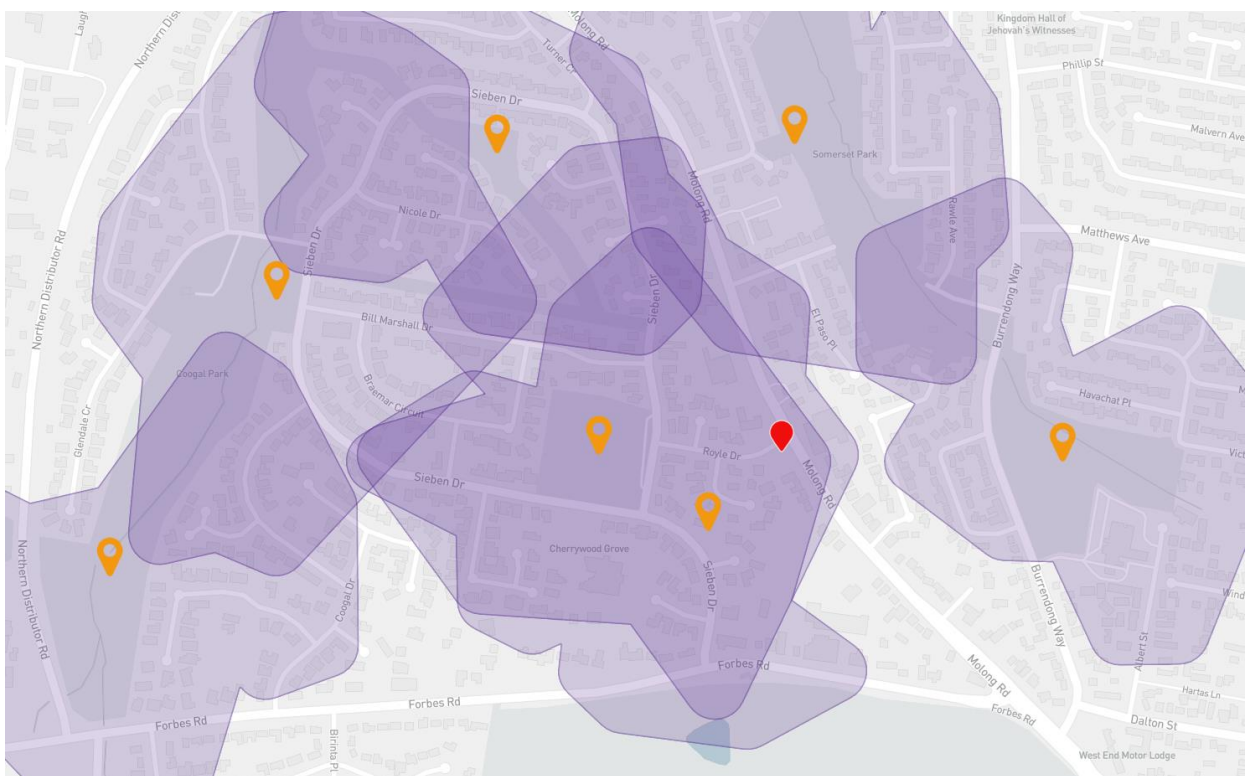




Figure 9: 5-minute walking catchment from open space assets

-  Open space assets
-  Subject Sites

<p>Distribution.</p> <p><i>The ability of residents to gain access to public open space within an easy walk from home, workplaces, and schools is an important factor for quality of life. The geographic distribution of open space is a key access and equity issue for the community.</i></p>	<p>Local distribution (0.3–2 ha public open space) within 400m from most houses.</p>	<p>Within a 400m catchment of the subject site there is a total of 3ha of open space readily accessible to the community. Access to a further 16ha of open space is available noting there are physical barriers such as Molong Road that impact on accessibility. However, the existing provision of open space (excluding the subject sites) is adequate and surplus</p>
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to the draft Guide recommendations.

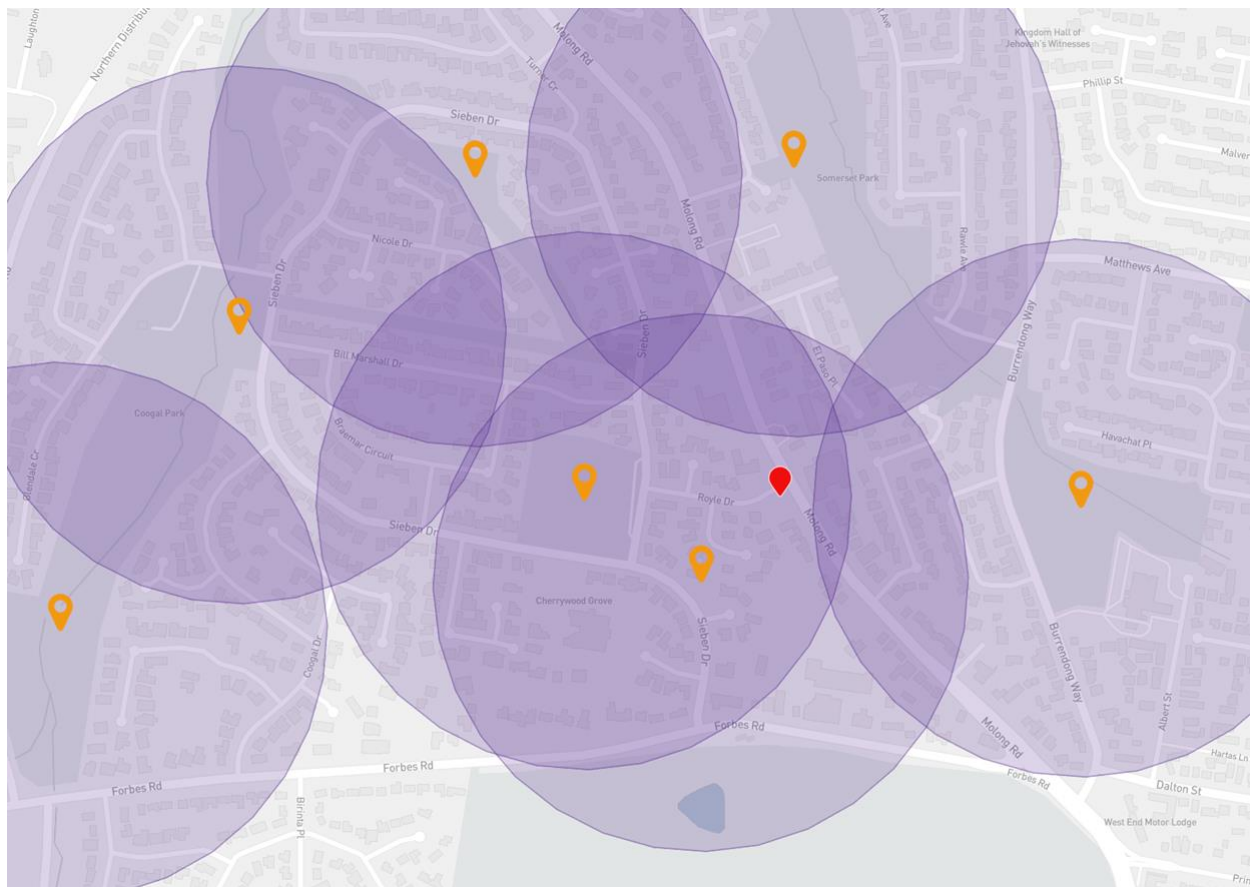




Figure 10: 400m catchment from open space assets

-  Open space assets
-  Subject Sites

<p>Size and shape.</p> <p><i>Size and shape of open space has a direct bearing on the capacity of that open space to meet and accommodate recreation activities and needs.</i></p>	<p>Medium to low density areas – the minimum size of a local park is 5,000 - 7,000m².</p> <p>Road frontage and visibility are key considerations, especially in high-density areas so open space is accessible for all. Sporting facilities have specific size and shape requirements that need to be met to provide functional space for their use.</p>	<p>The size of each surrounding open space asset is summarised as follows:</p> <ul style="list-style-type: none"> • Max Stuart Oval (district sporting field) - 2.7 ha • Seiben Park (playground) - 0.33 ha • Harold Nicholas Walk (linear) - 2.6 ha • Coogal Park (linear and informal open space) - 10.38 ha • Somerset Park (linear and informal open space including playground) -
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		<p>14.41 ha</p> <ul style="list-style-type: none"> Paul Park - 2.57 ha (linear and informal open space) <p>49-51 Molong Road equates to 1,549m². The site is surplus to the already existing open space assets and do not meet the recommended sizing requirements under the draft Guide.</p>
<p>Quantity.</p> <p><i>In low- and high-density areas, good provision of public open space is essential to compensate for the lack of private open space to support active living and contribute to a more liveable neighbourhood.</i></p>	<p>Quantity should be considered in the number of opportunities available. Larger public open space areas mean more opportunities can be provided in one location.</p> <p>Quantity of land available, along with size and shape, are critical in adequately meeting sporting needs. There are minimum areas needed for different sports, and different sporting spaces can only accommodate so many users.</p>	<p>Given the extensive linear nature of the surrounding open space network, there is the ability for the co-location of further types of open space settings i.e. playgrounds, informal recreation space, to be provided for into the future.</p> <p>Given this flexibility and in addition to the provision of a district sports field within the locality - the quantity of open space surpasses the requirements of the draft Guide.</p>
<p>Quality.</p> <p>The quality of design and ongoing maintenance and management is critical to attracting use and activating the open space network.</p>	<p>Open space needs to be strategically planned and designed to create a quality open space network; the sum is greater than its parts. Key characteristics of open space that influence quality include:</p> <ul style="list-style-type: none"> visual and physical access landscape setting demographic, cultural, and community demand condition of facilities and equipment maintenance number of activations within the space size, shape, and topography adjacent land uses 	<p>49-51 Molong Road is located along a regional road corridor and adjacent to employment land uses, therefore not being a desirable location to cater to ongoing community use.</p>

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	<ul style="list-style-type: none"> • amount of vegetation and shade • biodiversity outcomes • safety • sustainability. 	
<p>Diversity.</p> <p><i>The range of open space setting types within an urban area will determine the diversity of recreation opportunity for communities.</i></p>	<p>Performance indicators are outlined for a range of recreation types below. These are not the only types of open space but represent a range of opportunities. They should be combined, as multi-use facilities:</p> <ul style="list-style-type: none"> • local play for the very young (LPY) • local children’s play (LPC) • older children’s activity space (OCA) • youth recreation space (YRS) • local recreation space (LRS) • active recreation space (ARS) • large community outdoor recreation area (LCOR) • fitness and exercise space (FES) • trail and path-based recreation (TPR) • organised sport and recreation (OSR) • off-leash dog exercise area (DEA). 	<p>The range of open space surrounding the subject sites is summarised as follows:</p> <ul style="list-style-type: none"> • Max Stuart Oval - ORS, LCOR, ARS • Seiben Park - LPC, OCA, LRS, • Harold Nicholas Walk - TPR • Coogal Park - TPR, LRS, LCOR • Somerset Park - TPR, LPC, OCA, TRS, ARS, LRS, LCOR • Paul Park - TPR, LRS, ARS, LCOR <p>There is a large diversity of uses available to the community through the current provision of open space (excluding the subject sites).</p>

Based on the above analysis against the Draft Greener Places Guide there is adequate provisions of open space within the locality, and a majority of the criteria are above any beyond the recommended guidelines. Therefore, it can be determined that the reclassification of 49-51 Molong Road will have little impact on the provision of public space for the current and future population. Ample opportunities exist within the current open space network for Council to expand the range of open space types. In addition to this the reduction of land maintained by Council, alongside the sale proceeds from the land may assist in improving and enhancing the provision of the current open space assets within the locality.

Suitability of the Land - Contamination

Section 9.1(2) of the Environmental Planning and Assessment Act 1979 establishes Ministerial Directions, known as Local Planning Directions, that need to be addressed during the preparation of any Planning Proposal.

Direction 4.4 requires that the Planning Proposal Authority must not rezone any land unless it has considered whether the land is contaminated, and if the land is contaminated be satisfied that the land is suitable (in its contaminated state) for the intended use, or if the land requires remediation to be made suitable be satisfied that the land will be so remediated before the land is used for the new purpose.

In this regard the land at 49-51 Molong Road is already zoned for residential purposes and is not known to be contaminated.

ENVIRONMENTAL, SOCIAL AND ECONOMIC IMPACT***Environmental Impacts***

Land Use Efficiency: The proposal aims to optimize the use of already zoned and serviced land by providing appropriate zoning and classification that will enable the future development of the lots for residential development. This will enable four new homes without the need for additional roads, sewer, water or stormwater facilities and the additional population will be within the catchment of existing shops, schools and other urban services.

Infrastructure: No additional infrastructure is required to enable residential development of the land.

Stormwater Management: No additional infrastructure is required to manage stormwater flows.

Social Impacts

Housing Diversity and Affordability: The proposal will increase the available supply of residential land by two lots. The R2 Low Density zone has been selected for consistency with the density of surrounding development.

Community Infrastructure: No additional community infrastructure is required or proposed. The R2 zone allows for a range of non-residential developments that can complement resident amenity, such as community centres, childcare centres and the like. Should a purchaser pursue such an option the range of impacts would be considered during the DA assessment process.

Transport and Accessibility: The sites are already serviced by local road networks and a local bus service already runs directly past each of the lots, connecting future residents to the CBD.

Economic Impacts

Economic Growth and Development: The proposal will provide a minor boost to the local economy when each lot is developed, presumably for housing but potentially for a compatible non-residential use. The proposal will also marginally increase the population in the CBD catchment by approximately 2 households.

Infrastructure Contributions: Contributions are not required as the lots are existing and Council owned.

Property Values: The loss of some minor unembellished open space in an area that is well serviced with alternative open space facilities is unlikely to have a significant effect on property values.

STATE ENVIRONMENTAL PLANNING POLICIES***SEPP (Biodiversity and Conservation) 2021***

The proposal is consistent with the SEPP (Biodiversity and Conservation) 2021. The lots at 49-51 Molong Road are clear of vegetation and therefore unlikely to provide habitat for any threatened species.

SEPP (Resilience and Hazards) 2021

The proposal complies with the SEPP (Resilience and Hazards) 2021, the sites are not flood affected and are not mapped as bushfire prone. There are no technological hazards evident on the sites. There will likely be some earthworks to reshape the sites for ease of construction and in theory this could uncover contamination or other materials.

Future development applications can be conditioned to address any contamination found during earthworks or foundations. Alternatively, should Council decide to be cautious a preliminary contamination investigation prior to the sale of the land can be considered for public confidence and to ensure that any sale of the land does not expose Council to liability if future development uncovers an issue.

SEPP (Transport and Infrastructure) 2021

The proposal aligns with the SEPP (Transport and Infrastructure) 2021, the sites are within established residential estates that are well integrated into the local road network. No additional roads are required and an existing bus service connects the sites to services and facilities in the CBD.

SEPP (Housing) 2021

The proposal is consistent with the SEPP (Housing) 2021, the proposal represents an infill development opportunity to add at least four dwellings into an established residential area. One of the lots is a corner site it is possible this would be developed into a dual occupancy or that any of the sites might be developed for a principle dwelling with a secondary dwelling. Therefore, the actual dwelling yield could be higher. Either way, this proposal will marginally increase supply, and the lots are each of a size and configuration that can accommodate a range of designs.

COMMUNITY CONSULTATION

The proposal will undergo public exhibition and agency consultation as part of the Gateway process, expected to include:

- **Exhibition Period:** 28 days (or 20 working days).
- **Notifications:** Notices in local newspapers and on Council's website, outlining the objectives, affected land, inspection locations, and submission details.
- **Feedback:** Collection and consideration of community and stakeholder feedback to inform the final decision.

PUBLIC HEARING

It is a requirement of the Local Government Act 1993 when reclassifying land from Community Land to Operational Land that a separate public hearing be conducted a minimum of 28 days after the conclusion of the LEP public exhibition period.

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This will need to be independently chaired and would be limited to matters relating to the reclassification of the properties at 49-51 Molong Road. The final post-exhibition report to Council will include the findings of the independent public hearing as an attachment for Council's consideration.

PROJECT TIMELINE

The anticipated timeline for the LEP amendment includes several key stages:

Pre-Gateway Preparation: Initial studies and consultations.

Gateway Determination: Formal assessment and approval to proceed to public exhibition.

Public Exhibition and Consultation: 28-day period for public and agency feedback. In the interests of full transparency and in recognition of Council's interest in the land it is intended that public exhibition will include direct notification to all property owners within 100m of the subject properties.

Public hearing: To be conducted with a minimum of 28 days' notice following the completion of the LEP exhibition period.

Post-Exhibition Review: Evaluation of submissions and potential amendments to the proposal and preparation of a final report for Council's consideration.

Finalization: Adoption of the LEP amendment and formal updates to zoning and lot size maps.

CONCLUSION

The proposal seeks to rezone and reclassify surplus Council owned land to facilitate its disposal by sale on the open market. This will make a marginal contribution of two lots to the supply of residential land at a time of significant pressure on the housing market. Analysis of the sites has shown that there remains ample public open space for both passive and active recreation in the area.

ATTACHMENTS

- 1 Planning Proposal 49-51 Molong Road - Reclassification of Land, D25/56941
- 2 Overview of reclassification of 49 - 51 Molong Road, D25/37941