Armidale Industrial Land Study

Armidale Dumaresq Council

Final

May, 2013

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Executive Summary

Project Background

The *Armidale Economic Development and Tourism Strategy* was completed in 2011 and identified opportunities for the region to attract investment in industrial sectors to grow the local economy. The Strategy identified an existing shortage of adequate industrial land to meet demand from new and existing industrial businesses. The finding was supported by the New England Development Strategy, which outlines the need to provide adequate industrial land to meet demand for development and facilitate employment opportunities.

Purpose of the Study

Armidale Dumaresq Council has engaged AEC*group* to undertake an assessment of the industrial land sector in the Armidale Dumaresq LGA. The aim of the *Armidale Industrial Land Study* is to assess the existing and future supply and demand for industrial land in Armidale to determine whether there is a need for additional industrial land release. The study provides recommendations on how Council can ensure the adequate supply of industrial land to meet demand for development and facilitate investment and employment opportunities.

Following the completion of the *Armidale Industrial Land Study*, AEC*group* will provide Council with informed advice on their 70 hectare industrial land parcel located south of the airport. The study will advise Council on the feasibility of developing the site and formulate options to develop the land and achieve the best outcome for Council and the local community.

Industrial Land Supply

There are two main industrial precincts located in Armidale including West Armidale and Acacia Park, both of which are currently zoned 4(a) Industrial. In addition to these two precincts, there are several industrial lots (zoned 4(a) Industrial) located throughout Armidale. Based on an audit of industrial land, nearly 182ha of existing industrial land was identified in Armidale, with more than a quarter (or 52.4ha) vacant. The majority (95%) of this vacant land is located within the Acacia Park industrial precinct.

There is currently an estimated 146.9ha of industrial land available for industrial use including almost 130ha that is occupied. It has been estimated that there is approximately 17.5ha of vacant land that is suitable for development with large parcels of vacant land deemed to be constrained for development due to potential environmental issues. The majority of the vacant land is located within the Acacia Park precinct.

The Airport Site is the only area currently zoned for future industrial development and comprises 70ha of land. The site is currently not available for development as it is not serviced by infrastructure. As such there is no additional industrial land that is currently in the development pipeline to increase supply.

Table E:1: Industrial Land in Armidale (ha)

Precinct	Vacant Land	Occupied	Total
Existing Industrial			
Armidale West	2.5	56.3	58.8
Acacia Park	15.0*	69.0	84.0
Other	0.0	4.1	4.1
Total	*17.5*	*129.4*	*146.9*
Future Industrial			
Airport Site	70.0	0.0	70.0
Total	**87.5**	**129.4**	**216.9**

Note:* Industrially zoned land deemed undevelopable has been removed from the vacant total.
Source: AEC*group*

Industrial Land Demand

An analysis of the industrial land market in Armidale indicates there is strong demand for industrial land based on community aspirations/economic growth targets, pent up demand and lack of current supply. A comparison of industrial properties for sale and rent in Armidale and several benchmark towns in regional NSW indicate that industrial land costs in Armidale are significantly higher than the average. This is supported by consultation with property developers, real estate agents, existing industrial businesses and economic development officers that indicate that there are numerous businesses looking for industrial land to establish or expand operations.

Due to issues associated with using historical data and trends to project future industrial land demand, an economic growth approach has been adopted for this study. The approach assesses the likely economic growth that can be achieved in Armidale and the amount of additional industrial land that will be required to support the growth. Two economic growth scenarios have been assumed to project the future demand for industrial land in Armidale.

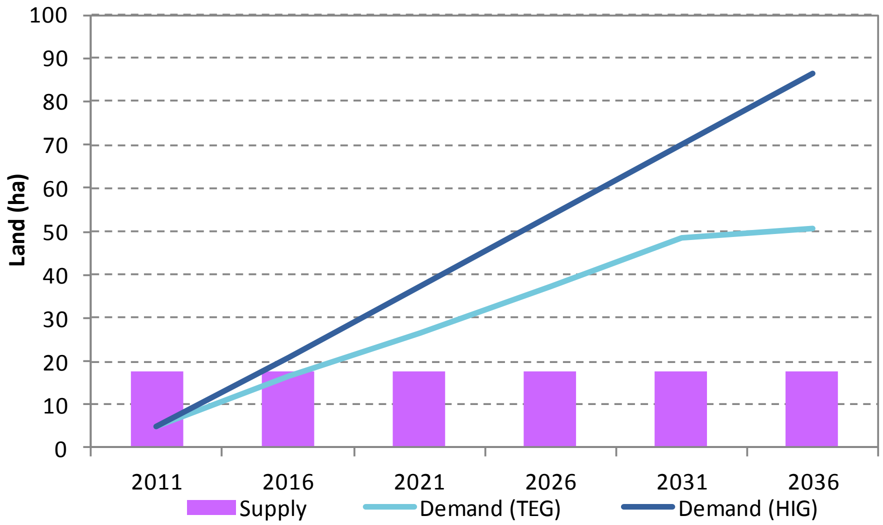
- **Targeted Economic Growth:** A scenario developed as part of the Armidale Economic Development & Tourism Strategy comprising medium population growth projections (With an increasing population of 30,000 by 2021) and a changed economic structure to reflect growth expectations and opportunities for key industries such as transport, manufacturing, wholesale trade and supporting industry.
- **High Industrial Growth:** A high scenario assuming the relative size of the industrial sector in Armidale increases in line with the regional Northern Tablelands SD average by 2036, with the region recording medium population growth.

Based on growth targets and expectations for the Armidale economy, there is projected additional demand for between 50ha -87ha of industrial land in Armidale by 2036, equating to demand of between 2-3.5ha per annum over the next 25 years.

Industrial Gap Analysis

There is an estimated 17.5ha of vacant industrial land in Armidale that is suitable for industrial development. While it would appear that the 17.5ha of land should be sufficient to meet demand until 2016, the available land does not meet the requirements of businesses as supported by the existing market and consultation. Therefore, there is an existing undersupply of industrial land that is projected to increase over time to between 33-69ha by 2036 (see Part 7 of this report for further analysis of the 'gap' between existing supply and demand).

Figure E.1: Industrial Land Supply and Demand (ha)



Note: TEG – Targeted Economic Growth Scenario, HIG - High Industrial Growth Scenario
Source: AEC*group*

It is recommended that the release of industrial land supply lead demand in order to provide choice to businesses and sufficient land to be able to react quickly to spikes in demand. This involves having sufficient serviced zoned land available for immediate development and additional zoned land that can be serviced in a relatively short timeframe should demand be higher than anticipated.

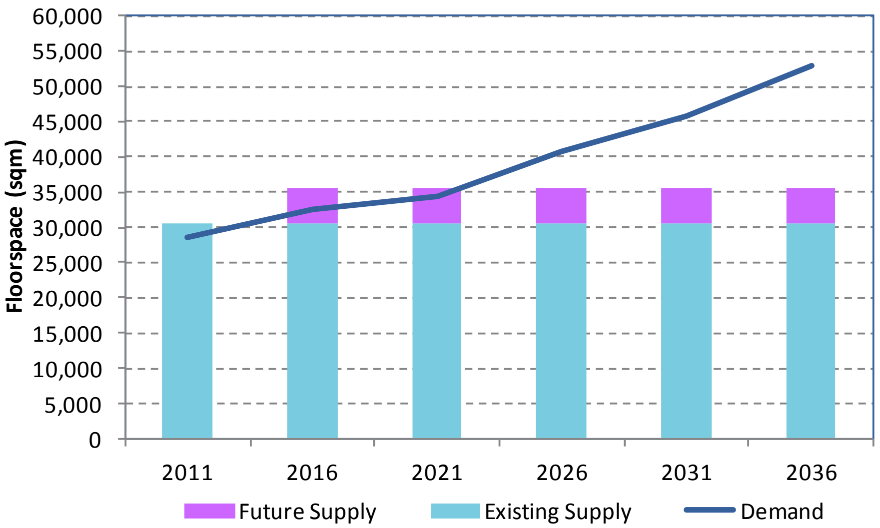
Bulky Goods Assessment

There is an estimated 30,600sqm of bulky goods floorspace located within Armidale with the key precincts including West Armidale, Armidale CBD, Girraween and Bunnings.

Demand for bulky goods floorspace in Armidale has been estimated based on projected expenditure and industry benchmarks. There was an estimated demand for 28,600sqm of bulky goods floorspace in 2011 which is projected to almost double over the next 25 years to 53,000 sqm in 2036.

There is currently an estimated slight oversupply of bulky goods floorspace in Armidale of approximately 2,000sqm. This reflects the recent development of the Bunnings store in Armidale that considerably increased the supply of bulky goods floorspace in the town. Projected population and household growth in Armidale is projected to drive growth in demand for bulky goods floorspace of over 23,300sqm by 2036. Assuming the second stage of the Bunnings development is constructed, there would be an additional 5,000sqm of bulky goods floorspace in Armidale. Based on this scenario, the town is projected to record a need for an additional 22,400sqm by 2036 including the proposed Bunnings expansion.

Figure E.2: Bulky Goods Floorspace Supply and Demand (sqm)



Source: AEC*group* (2011c)

Bulky goods developments have a significant requirement for parking and direct load access. Site coverage ratios for bulky goods developments in regional centres generally range from about 50-60%. Based on demand for an additional 22,400sqm of bulky goods floorspace, there is a need for approximately 3.0ha-6.5ha of land for bulky goods (see Part 7 of this report for further analysis of the 'gap' between existing supply and demand).

Recommendations

The following recommendations have been formulated to support the sustainable growth of the industrial and bulky goods sectors in Armidale. They have been amended to reflect the advice of the NSW Department of Planning and Infrastructure whose conditional approval for this report is included as **Appendix C.**

- **Industrial Land Release:** There is a need for additional industrial land to be released in Armidale over the next 25 years to meet projected demand. It is recommended that the release of industrial land supply lead demand by approximately 15 years in order to provide choice and sufficient land to be able to react quickly to changes in demand.

- **Bulky Goods:** It is recommended that land continue to be made available for bulky goods development within the West Armidale precinct. It is also recommended that some bulky goods and large format retailing be promoted within the CBD, which is consistent with Council's Local Environmental Plan (LEP), in order to maintain the primacy of the centre.
- **Acacia Park:** It is recommended that the focus of the Acacia Park precinct remain on manufacturing operations and wholesale/distribution companies that do not require direct b-double or highway access or passing traffic. Acacia Park has significant parcels of vacant land and the precinct should be marketed to attract business investment. Armidale Dumaresq Council should consider using its remaining land holdings to attract business investment. In addition, it is recommended that Council investigate the potential expansion of the precinct to the north and continue to liaise with the relevant Crown agencies.
- **West Armidale:** West Armidale should be consolidated as the primary light industrial and bulky goods estate in Armidale. It is recommended that the West Armidale Precinct be expanded where possible and supported by landowners, to allow for new industrial development to occur.it is recommended that the existing West Armidale Precinct be rezoned IN2 Light Industrial with arrangements being made in conjunction with the NSW Department of Planning and Infrastructure to allow provision for bulky goods retailing with consent.
- **Airport Site:** It is recommended that the Airport Site be investigated for the financial viability of developing the site for industrial land. It is recommended that the potential land release have a mix of lots including:
    - Small to medium lots (1,000-5,000) with frontage to the New England Highway for businesses requiring visibility from passing traffic. These would include lots for bulky goods development.
    - Small to medium lots (1,000-5,000) located back from the New England Highway for businesses not requiring visibility.
    - Larger lots (8,000-15,000sqm) for transport companies requiring more space to accommodate operations.

  It is recommended that the bulk of the site remain zoned for industrial purposes (IN2 Light Industrial under Council's new Standard Instrument LEP) to facilitate light industrial, wholesale and transport businesses.

  It is recommended that a staged approach to the land release and development be investigated. Preliminary investigations indicate that the land directly adjacent to the airport would likely be the most cost-effective to develop as it is relatively flat and closer to existing infrastructure.

  There is an opportunity to share infrastructure costs with the owner/developer of the potential development on the opposite side of New England Highway and any future developments at the Armidale Airport. It is recommended that infrastructure provision be promoted in the short term so that the land is ready for development in the medium term with a staged release.
- **Future Sites:** It is recommended that the following sites be rezoned to facilitate industrial and bulky goods development. Including the existing Airport Site, the recommended rezoning will create approximately 92.3ha of developable land for industrial and bulky goods uses. This supply is sufficient to meet the projected demand for up to 90ha of land over the next 25 years, with some limitation on bulky goods retailing in the longer term.
    - **Armidale West Expansion – West:** It is recommended that the site be rezoned IN2 Light Industrial under the new Standard Instrument consistent with the suggested zoning of the West Armidale industrial precinct, to provide additional industrial or bulky goods land in the short term.
    - **Airport East Site:** It is recommended that the site be rezoned IN2 Light Industrial under the new Standard Instrument to create an industrial precinct

around the airport. There is an opportunity for Council to share infrastructure costs with the owner/developer of the potential development. It is recommended that infrastructure provision be promoted in the short term so that the land is ready for development in the medium to long term.

Table E.1: Recommended Future Industrial Land

Site	Size (ha)	Useable[1] (ha)	Zoning
Airport Site	66.5ha	35.3ha	IN2
Airport East Site	53.6ha	53.6ha	IN2
West Armidale Expansion - West	19.3ha	3.4ha	IN2[2]
Existing West Armidale Precinct	Existing	Existing	IN2[2]
Acacia Park North Extension	TBD	TBD	IN1
Total	**139.4ha**	**92.3ha**	

[1] Preliminary estimate based on previous flood studies and topographical maps.
[2] With LEP provisions to allow for bulky goods retailing with consent.
Source: AEC*group*

- **Timing:** The shortage of industrial land in Armidale is constraining economic growth and new land is required to facilitate investment by new and existing businesses. The rezoning of land can take considerable time and it is recommended that the process is initiated in the near future in order to address the supply shortages as soon as possible.

  At the time of publication of this report, Armidale Dumaresq Council had concluded an exhibition process and submitted its draft Standard Instrument LEP (2012) to the Minister for Planning and Infrastructure. Council has expressed that it is too late to include any recommendations of this report into the draft Standard Instrument LEP without delaying that process significantly. In order to expedite potential rezonings recommended in this report, it is proposed that a separate LEP amendment process be initiated for these new zonings and also to include future zoning of the industrial land in the existing West Armidale precinct.

  That amendment should also include zoning of the existing West Armidale Industrial precinct under the Standard Instrument LEP as IN2 Light Industrial, with the proviso that bulky goods retailing remain permissible in this zone as per the Council's current (2008) LEP.

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1. Introduction

1.1 Project Background

The *Armidale Economic Development and Tourism Strategy* was completed in 2011 and identified opportunities for the region to attract investment in industrial sectors to grow the local economy. The Strategy identified an existing shortage of adequate industrial land to meet demand from new and existing industrial businesses. The finding was supported by the New England Development Strategy, which outlines the need to provide adequate industrial land to meet demand for development and facilitate employment opportunities.

Armidale Dumaresq Council owns a 70 hectare parcel of industrially zoned land located adjacent to the Armidale Airport along the New England Highway. Council is considering options on how best to proceed with the potential development of the site to help alleviate the identified industrial land supply shortage.

1.2 Purpose of the Study

Armidale Dumaresq Council has engaged AEC*group* to undertake an assessment of the industrial land sector in the Armidale Dumaresq LGA (herein referred to as "Armidale"). The aim of the *Armidale Industrial Land Study* is to assess the existing and future supply and demand for industrial land in Armidale to determine whether there is a need for additional industrial land release. The study will provide recommendations on how Council can ensure the adequate supply of industrial land to meet demand for development and facilitate investment and employment opportunities.

Following the completion of the *Armidale Industrial Land Study*, AEC*group* group will provide Council with informed advice on their 70 hectare industrial land parcel located south of the airport. The study will advise Council on the feasibility of developing the site and formulate options to develop the land and achieve the best outcome for Council and the local community.

2. Planning Context

The strategic and policy context of Armidale is an important factor in assessing the industrial land sector and future development.

2.1 Literature Review

The following table summarises the review of documents and strategies and the implications for this study.

Table 2.1: Literature Review

Document	Description	Implications for the Study
Armidale Dumaresq Local Environmental Plan 2008	This document outlines the zoning of land within Armidale.	It is important that future industrial land is appropriately zoned to facilitate investment from industrial businesses within these precincts and not to constrain investment. It is also important that land is appropriately zoned for other uses so they do not infiltrate industrial land.
New England Development Strategy (2010) - Worley Parsons	The New England Development Strategy was prepared for Armidale Dumaresq, Guyra Shire, Uralla Shire and Walcha Councils to inform the provisions of the Regional Local Environmental Plan (LEP) to be prepared for the four local government areas. The Strategy has a timeframe of 25 years up to 2032 and identifies where growth and change is expected to occur, as well as the land use planning objectives and strategies to guide this growth and change.	The Strategy outlines the need to provide adequate industrial land to meet demand for development and enable employment opportunities. The study outlines that 'Strategic Analysis' found that industrially zoned land currently available for development exceeds demand with sufficient land already zoned to meet the needs of a population of over 30,000 in Armidale. Policies relevant to industrial land include: • Within Armidale, further investigation of retail activity in the West Armidale industrial zone is required, including an assessment of impacts on general industrial activity. • Ensure planning provisions for industrial areas discourage inappropriate commercial development. • Commission a specific study of bulky goods retailing and industrial lands in Armidale (see below), including the provision of adequate and appropriately located land for this form of development.
Bulky Goods Retail and Industrial Lands Study (2010) – SGS Economics and Planning	A study of the bulky goods retail and industrial land sectors in Armidale to inform the preparation of the new Local Environment Plan.	The study concluded that there is sufficient industrial land in Armidale to meet future demand despite consultation with key stakeholders indicating that there is a shortage. The study proposed six key strategic directions for Council to implement including: • Protect Armidale's commercial core • Ensure sufficient capacity for population driven industries • Facilitate the development of strategic industries • Consolidate industrial zoned land • Address outstanding rezoning requests • Investigate expanding the West Armidale industrial precinct Significant questions were raised by representatives of the property development and real estate sector over the methodology used to project future demand for industrial land. The modelling approach based on historical employment data and population projections failed to incorporate market data.
Armidale Economic Development and Tourism Strategy (2011) - AEC*group*	An economic development and tourism strategy for the Armidale Dumaresq LGA with the aim of guiding the economic and tourism development of the LGA ahead of a key turning point of the local economy in 2012 (when the Bradley Review of the national higher education sector comes into force).	The Strategy identifies that industrial land is currently in undersupply in the region and is beginning to deter future growth. The Strategy highlights rectifying the undersupply of land as instrumental in future growth in Armidale and is likely to assist in the attraction of business and investment into the region. The Strategy also identifies transport and storage and animal health and manufacturing as industrial sectors that have growth potential in Armidale.

Source: AEC*group*

2.2 Standard Instrument (Local Environment Plan)

In 2006, the NSW Government gazetted a 'Standard Instrument' for preparing local environment plans (LEPs) in NSW with the aim of standardizing planning schemes throughout the state.

Armidale Dumaresq Council is currently preparing a new LEP under the Standard Instrument. The new Standard Instrument LEP comprises a range of new zoning categories and the preparation of the new LEP involves the conversion of old zonings under the Armidale Dumaresq LEP 2008 to the new standard categories. At the time of publication of this report, Armidale Dumaresq Council was nearing completion of the draft Standard Instrument LEP.

Based on the standard instrument, the following zonings allow for industrial and/or bulky goods uses and have been considered as part of recommended rezonings.

- IN1 – General Industrial
- IN2 – Light Industrial
- IN3 – Heavy Industrial
- B5 – Business Development
- B6 - Enterprise Corridor
- B7 – Business Park

During the preparation of Council's Draft Standard Instrument LEP in 2010-11, the NSW Department of Planning and Infrastructure advised that the Standard Instrument was not to be implemented to permit bulky goods uses in industrial zones. However, the Department's Executive Director, Planning Operations advised Council in May 2012 that a more flexible approach may be possible in future and the recommendations of this report have been prepared on that basis.

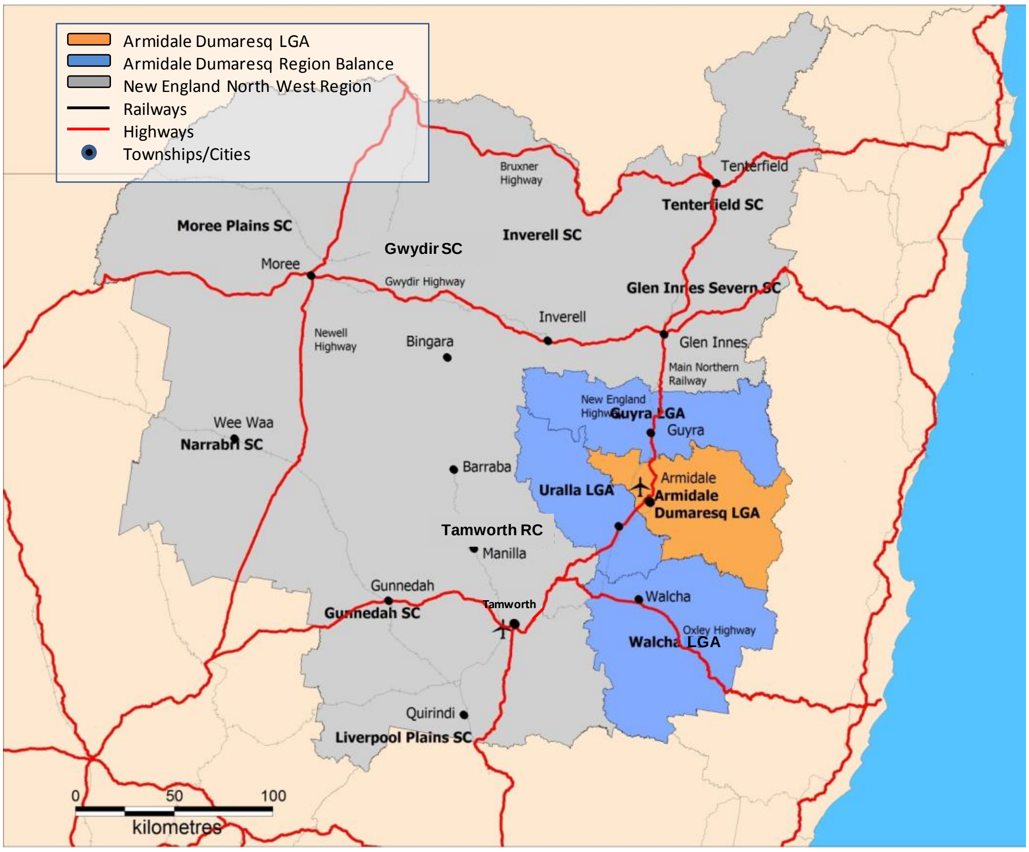
3. Armidale Economy

3.1 Armidale Region

The Armidale Dumaresq LGA (herein referred to as "Armidale") is located in North Western New South Wales, approximately halfway between Sydney and Brisbane, with a population of approximately 26,000 (2010). The city of Armidale is the largest settlement within the LGA and is approximately 2.5 hours from the east coast via the Waterfall Way. Armidale is well positioned as a leading population and business services centre within regional New South Wales. The township is also recognised as the cultural centre of the New England region, with a cosmopolitan feel and a diverse and vibrant local community.

Armidale has historically been a regional agricultural centre, but also has strong education and research sectors, with world leading operations in animal genetics. In particular, Armidale's strength lies in education, agriculture, retail and professional services. Armidale is well positioned, being traversed by the New England Highway, a major inland highway and transport route between Brisbane and Sydney.

Figure 3.1: Armidale Dumaresq LGA and Surrounds



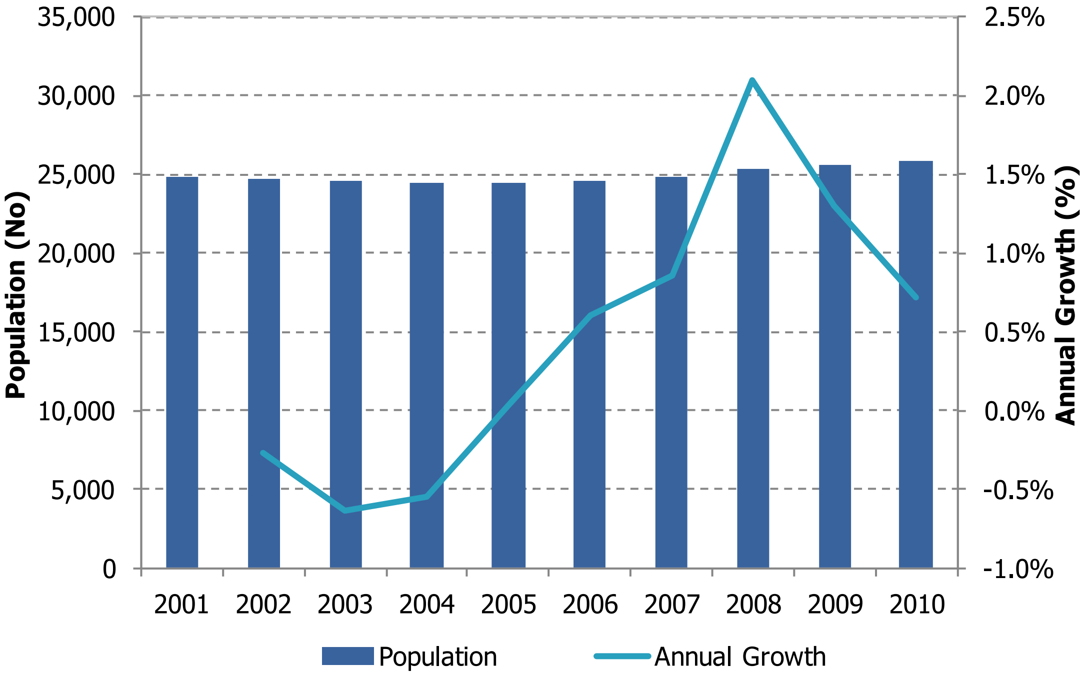
Source: Australian Bureau of Statistics (2007)

3.2 Population

3.2.1 Population Growth

Armidale recorded a declining population between 2001 to 2004, which was a trend experienced by a large proportion of rural areas in NSW. In the last six years, the declining trend has reversed, with the LGA recording population growth. Population growth increased steadily and peaked in 2008 before slowing down in the last two years. This growth was opposite to NSW Department of Planning population projections that projected a decline from 2006 onwards.

Figure 3.2: Historical Population Growth – Armidale, 2001-10



Source: ABS (2011a)

3.2.2 Population Projections

The *Armidale Economic Development & Tourism Strategy* analysed and discussed development outcomes for the region based on a range of population and economic growth scenarios[1]. As part of the assessment, four population growth scenarios were used to inform the different economic growth and employment growth model scenarios for Armidale. These were developed based on analysis of NSW Planning population projections, historical population trends and consultation with Council to determine an aspirational population growth target over the next 10 years. The scenarios included:

- **Historical Growth:** NSW Department of Planning projections adjusted to reflect discrepancies in projections against actual historical population growth trends.
- **Low:** NSW Department of Planning projections applied to current population.
- **Medium:** 10 year annual growth target of 30,000 persons by 2021 (provided by Council).
- **High:** Aspirational population growth target of 35,000 persons by 2021 (provided by Council).

As the *Armidale Economic Development & Tourism Strategy* focused on population projections to 2021, population projections have been extended to 2036 in this report. However, for consistency, growth rates have been kept the same. Therefore, the annual growth rate between 2010 and 2021 for each population projection series has been applied to the 2021-2036 period for that particular series. Each of these population projections for Armidale are shown in the figure and table below.

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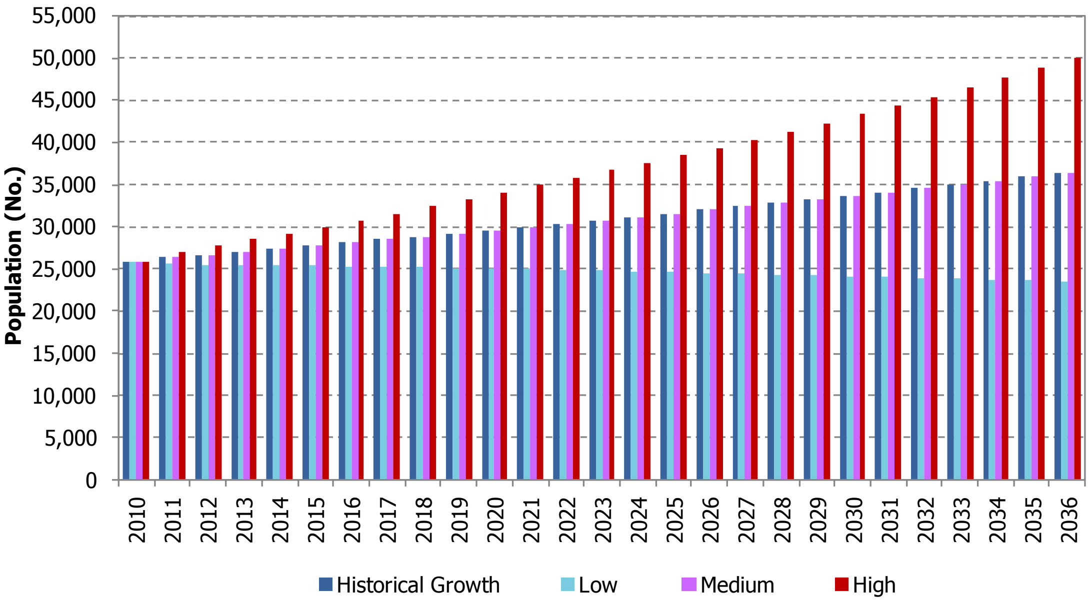
[1] AEC*group* Ltd. (2011), *Armidale Economic Development & Tourism Strategy*, Armidale Dumaresq Council

Figure 3.3: Projected Population Growth Scenarios, Armidale, 2010-2036



Source: ABS (2011a), NSW Planning (2010), AEC*group*

Table 3.1: Projected Population Growth Scenarios, Armidale, 2010-2036

Scenario	2010	2021	2036	% Av. Ann. Growth
Low	25,855	24,982	23,520	-0.3%
Historical	25,855	30,299	36,277	1.3%
Medium	25,855	30,000	36,408	1.3%
High	25,855	35,000	49,954	2.5%

Source: ABS (2011a), NSW Planning (2008), AEC*group*

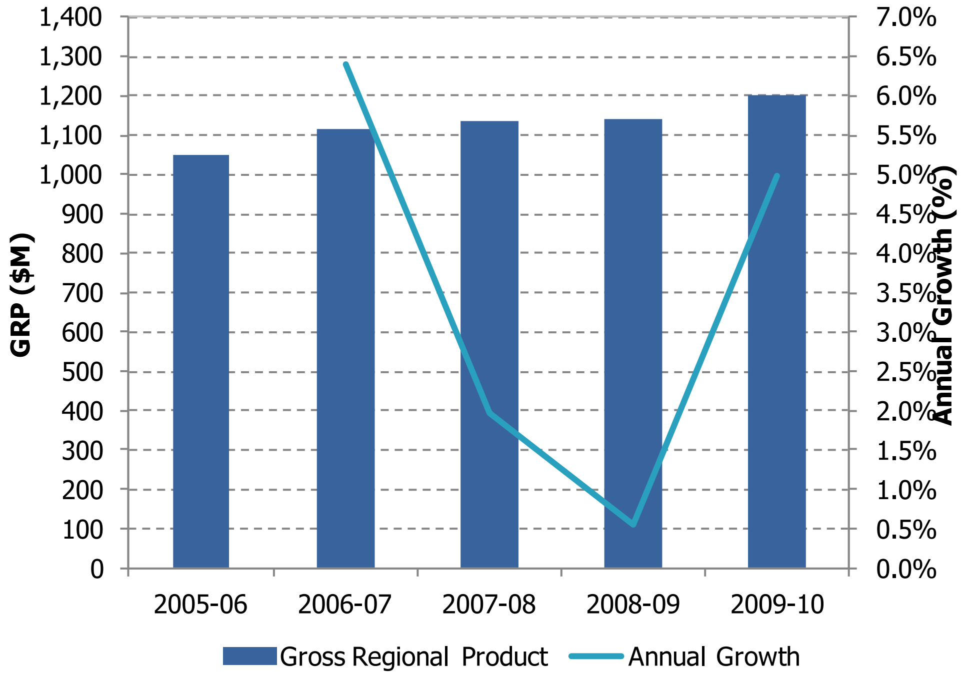
3.3 Economy

Gross Regional Product[2] (GRP) in Armidale reached $1.2 billion in 2009-10, representing a 5.0% growth on the previous year. This increase confirms that the area has gone through a period of recovery after two years of slow growth experienced during the global economic downturn.

Armidale represents over 70% of the Armidale Dumaresq Region's GRP with most of this largely being representative by Armidale's role as key regional service centre. Meanwhile the surrounding areas of Walcha, Uralla and Guyra LGA's show greater agriculture sector activity than other industry sectors.

[2] Gross Regional Product is a measure used to assess the size of a regional economy and is defined as the market value of all final goods and services produced within a region in a given year.

Figure 3.4: Gross Regional Product, Armidale, 2005-06 to 2009-10



Source: AEC*group* (2011b)

Within Armidale, the education & training sector is the largest industry, contributing over 20% ($202 million) to industry value-add[3] in the 2009-10 year. This is due to the presence of a number of major education and training assets including the University of New England (UNE), New England TAFE and a number of major boarding schools and education facilities.

The industrial sector overall contributed to approximately 10.7% of industry value-add in 2009-10, with the wholesale trade sector contributing to most of the value-add (5.0%), followed by the manufacturing sector (3.3%) and the transport, postal & warehousing sector (2.4%).

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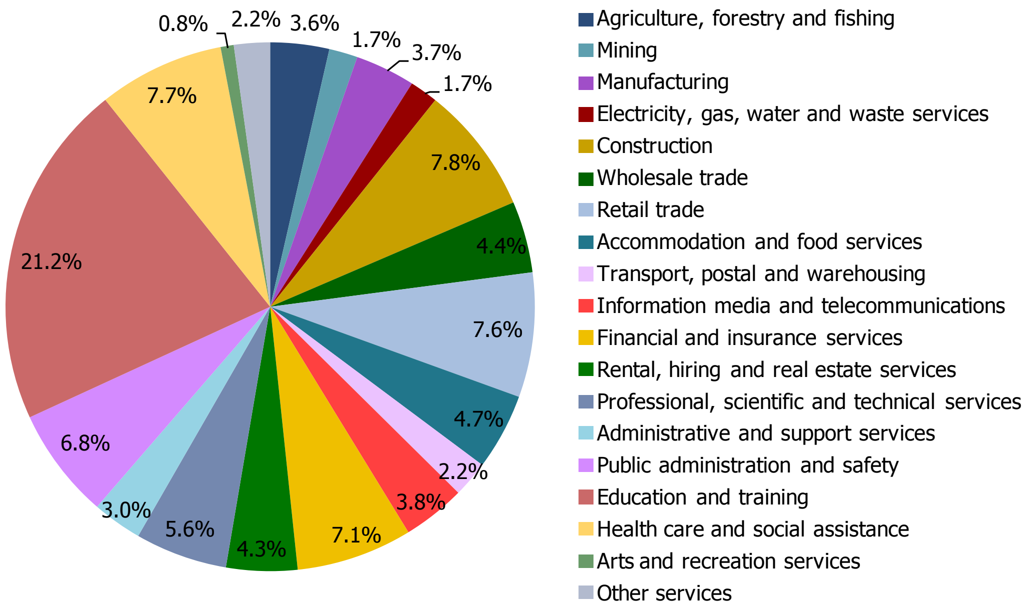
[3] Industry Value Add (GVA) comprises Gross Regional Product less ownership of dwellings and taxes and subsidies.

Figure 3.5: Armidale Contribution to Industry Value Add (%), 2009-10



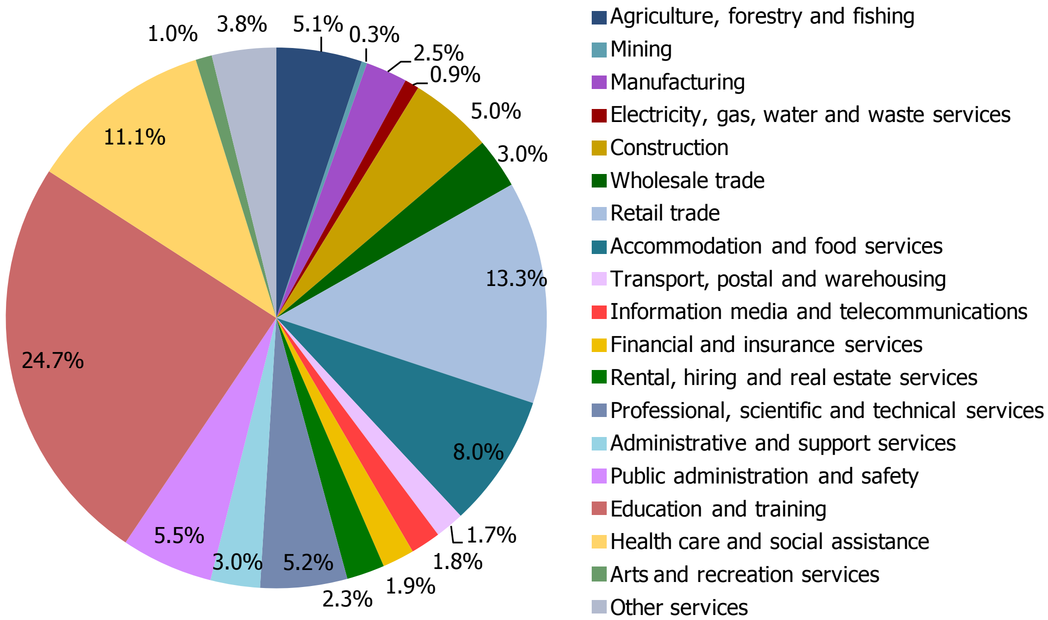
Source: AEC*group* (2011b)

3.4 Employment

Analysis of employment by industry indicates that the education industry is the largest employer in Armidale with over 2,400 persons (or 23.2% of the workforce) in Armidale working in the education & training sector. Reflecting the area's status as the services capital of the broader region is the large representation of the retail trade (13.1%), health care & social assistance (12.4%), professional, scientific & technical services (6.0%), public administration & safety (6.2%), and accommodation & food services (8.8%) industries (by employment) in the region.

Accordingly, Armidale has a significantly lower proportion employed in the industrial sector than the New England region and NSW, with 7.8% employed in the sectors of manufacturing, wholesale trade and transport, postal and warehousing in the former region, compared to 14.5% in the New England region and 19.8% in NSW. Manufacturing only employed 3.3% of Armidale's workforce, followed by wholesale trade (2.6%) and transport, postal & warehouse services (2.0%).

Figure 3.6: % Employment by Industry Armidale, Place of Work, 2009-10

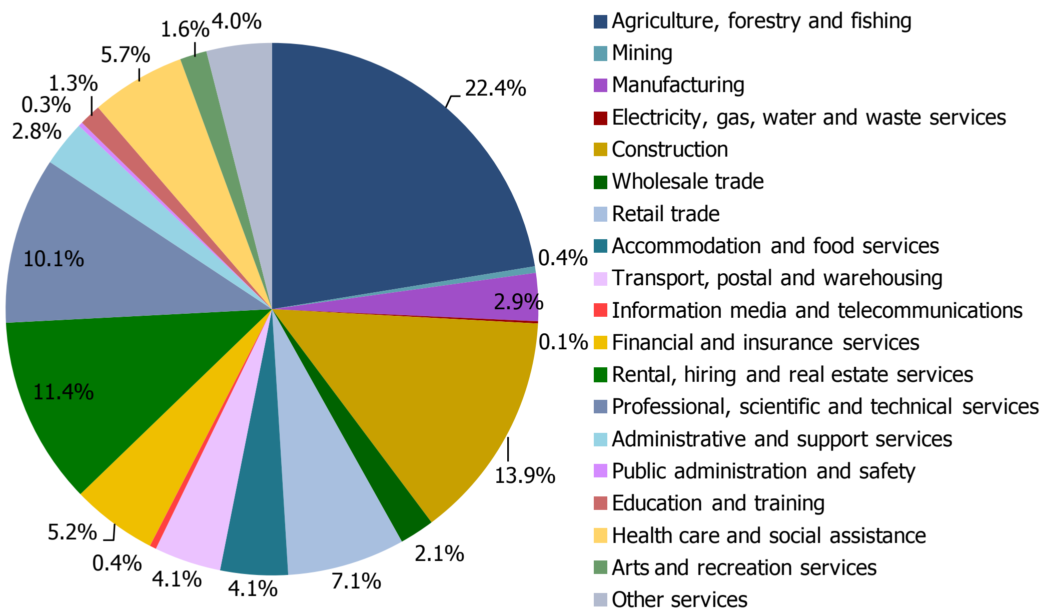


Source: AEC*group* (2011b)

3.5 Business Profile

There were an estimated 2,300 actively trading businesses in Armidale in June 2009 with agricultural operations accounting for over 20%, reflecting the large number of farms in the region. Armidale has a significantly lower proportion of industrial businesses, accounting for 9.0% of the total.

Figure 3.7: % Businesses by Industry Armidale, June 2009



Source: ABS (2010)

3.6 Significance of Employment Lands Sector

The employment lands sector can be categorised by the three broad industry sectors of manufacturing, wholesale trade and transport, postal and warehousing. The total economic contribution of these sectors in Armidale was estimated at $97.6 million in 2009-10, accounting for 10.2% of total GRP. Again, in part because of the dominance of education and training in the local economy, this percentage of economic contribution was less than half the NSW average of 21.6%. Council is seeking to promote a more balanced range of employment for the community as well as economic growth, through the provision of additional industrial development opportunities in future.

Table 3.2: Economic Significance of Industrial Sector in Armidale

Industry	Industry Value Add		Employment		Businesses	
	$M	%	No.	%	No.	%
Manufacturing	$34.9	3.7%	264	2.5%	66	2.9%
Transport, Postal & Warehousing	$21.1	2.2%	184	1.7%	92	4.0%
Wholesale Trade	$41.7	4.4%	320	3.0%	48	2.1%
Total Industrial	**$97.6**	**10.2%**	**768**	**7.2%**	**206**	**9.0%**
Total Economy	**$953.3**	**100.0%**	**10,622**	**100.0%**	**2,300**	**100.0%**

Sources: ABS (2010), AEC*group* (2011b)

The industrial sector accounted for 7.2% of total employment in Armidale and 9.0% of businesses. Based on an economic contribution of $97.6 million and employment of 768, the average industrial worker in Armidale contributed over $127,000 in value add to the regional economy. This was over 40% higher than the average in the economy, reflecting the high value to the economy generated by the industrial sector.

Table 3.3: Value Add per Employee

Industry	$
Agriculture, forestry and fishing	$62,989
Mining	$481,598
Manufacturing	**$132,046**
Electricity, gas, water and waste services	$180,377
Construction	$140,554
Wholesale trade	**$130,322**
Retail trade	$51,420
Accommodation and food services	$52,605
Transport, postal and warehousing	**$114,687**
Information media and telecommunications	$192,054
Financial and insurance services	$332,569
Rental, hiring and real estate services	$171,852
Professional, scientific and technical services	$97,294
Administrative and support services	$92,294
Public administration and safety	$110,890
Education and training	$76,855
Health care and social assistance	$62,439
Arts and recreation services	$73,830
Other services	$51,491
Total	**$89,747**
Industrial Average	**$127,174**

Sources: AEC*group* (2011b)

3.7 Economic Opportunities for Armidale

The *Armidale Economic Development & Tourism Strategy* identified a number of key industry opportunities for the Armidale economy. These opportunities are designed to build upon current strengths in the local economy as well as increase economic diversification in the local economy. Key sectors relating to industrial land with growth potential include:

- **Animal Health and Manufacturing:** The Armidale Dumaresq region has an existing strength in animal and agriculture research through the presence of the University of New England and research institutions such as CSIRO. There are opportunities to leverage this research capability through private sector investment and partnerships to develop and manufacture new products.
- **Transport, warehousing and logistics:** The transport and logistics sector is one of the fast growing industries in Australia with opportunities for Armidale to attract business investment. Growth in the sector is supported by Armidale's strategic located between Sydney and Brisbane with good access to road infrastructure such as the New England Highway. Potential opportunities could include:
    - Distribution centres for large retailers;
    - Depots for road freight companies;
    - Warehouses; and
    - Logistics and distribution operations servicing the Eastern Seaboard of Australia.

4. Industrial Land Supply

4.1 Existing Industrial Land

There are two main industrial precincts located in Armidale including West Armidale and Acacia Park, both of which are currently zoned 4(a) Industrial. In addition to these two precincts, there are several industrial lots (zoned 4(a) Industrial) located throughout Armidale (See **Appendix A**).

Figure 4.1: Industrial Land in Armidale

Source: Google Maps

As part of this study, an industrial land audit was undertaken in October 2011 to provide current data on the amount of industrial zoned land in Armidale, land uses and vacant land. The audit is an important tool that provides a comprehensive depiction of the types of uses that occupy industrial land in Armidale and the quantum of vacant land.

Based on the audit, nearly 182ha of existing industrial land was identified in Armidale, with more than a quarter (or 52.4ha) vacant. The majority (95%) of this vacant land is located within the Acacia Park industrial precinct.

Table 4.1: Industrial Land in Armidale (ha)

Precinct	Vacant Land*	Occupied	Total
West Armidale	2.5	56.3	58.8
Acacia Park	49.9	69.0	118.9
Other	0.0	4.1	4.1
Total	**52.4**	**129.4**	**181.8**

Note: * Includes vacant buildings.
Source: AEC*group*

Over a third of industrial land in Armidale is currently occupied for industrial uses such as manufacturing (33.8ha), wholesale trade (27.6ha) and transport and warehousing (2.8ha). Over a fifth of the total industrial land in Armidale is used for waste services, with all of this land located in the Acacia Park industrial precinct. The table below provides a detailed breakdown of industrial land use in Armidale.

Table 4.2: Industrial Land Use in Armidale

Land Use	Armidale West		Acacia Park		Total	
	Lots (no)	Area (ha)	Lots (no)	Area (ha)	Lots (no)	Area (ha)
Manufacturing	30	6.8	11	25.1	42	33.8
Waste Services	0	0.0	3	40.4	3	40.4
Construction	15	1.0	1	0.2	16	1.2
Wholesale Trade	33	24.7	6	2.9	39	27.6
Car Yard	1	0.3	0	0.0	1	0.3
Service Station	3	1.5	0	0.0	3	1.5
Bulky Goods	8	1.5	0	0.0	8	1.5
Retail	17	2.3	0	0.0	18	4.5
Food Services	3	0.2	0	0.0	3	0.2
Transport and Warehousing	8	2.4	1	0.4	9	2.8
Information and Telecommunications	2	0.2	0	0.0	2	0.2
Rental, Hiring and Real Estate Services	5	1.4	0	0.0	5	1.4
Professional, Scientific and Technical Services	2	0.1	0	0.0	2	0.1
Public Administration and Safety	4	5.8	0	0.0	4	5.8
Arts and Recreation Services	3	0.4	0	0.0	3	0.4
Other Services	23	4.1	0	0.0	23	4.1
Vacant Land	10	2.1	11	49.1	23	52.0
Vacant Building	4	0.4	2	0.8	4	0.4
NA*	13	3.5	0	0.0	13	3.5
Total	**184**	**58.8**	**35**	**118.9**	**221**	**181.8**

Note: Includes housing and water supply.
Source: AEC*group*

4.1.1 Armidale West

The West Armidale industrial precinct is an established industrial area located to the west of the CBD. There are 184 industrial zoned lots in the precinct comprising a total of almost 60ha. Lots range in size from 600sqm to 4.7ha in size with an average size of approximately 4,000sqm. There are also several strata titled developments with smaller industrial units. Development within the precinct is relatively dense with limited space available for intensification of development.

Figure 4.2: West Armidale Industrial Precinct

Source: Google Maps

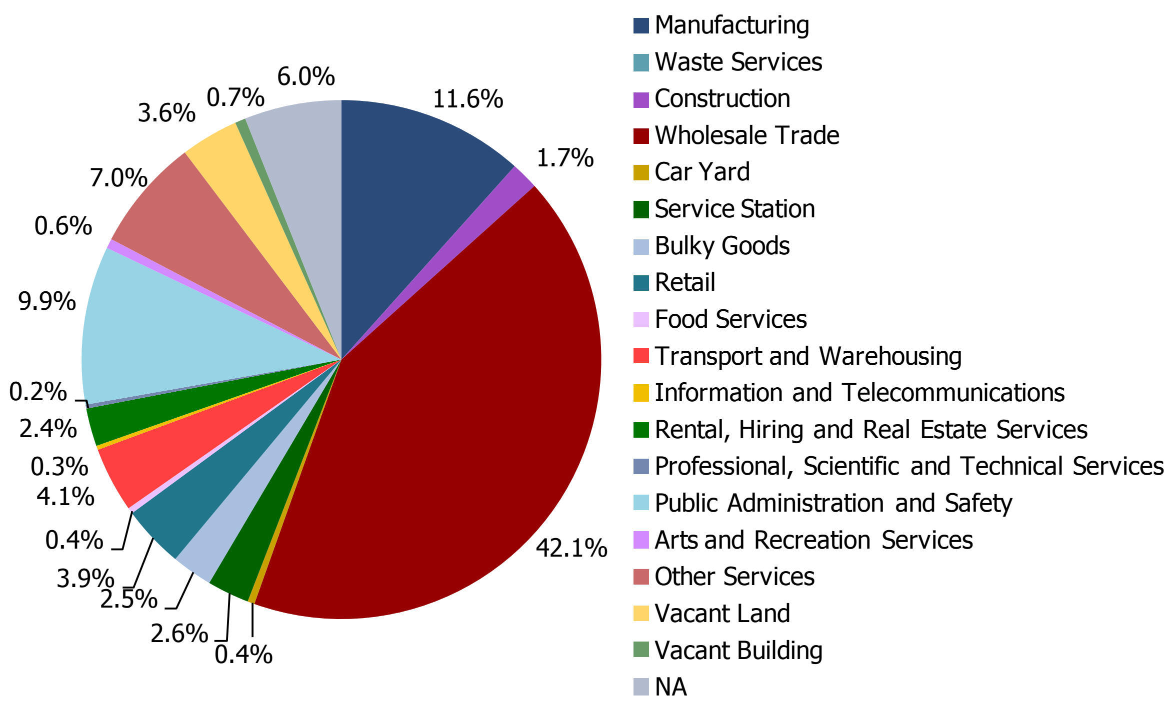
Traditional industrial operations including manufacturing, wholesale trade, transport and warehousing account for almost 60% of industrial land in West Armidale. More than 40% of the total land in the Armidale West industrial precinct is currently used for wholesale trade, reflecting several large building material operations. Manufacturing operations account for 11.6% and include metal fabrication, furniture, building products and a bakery. Transport and warehousing operations including road transport and warehouses account for approximately 4% of total land.

Over time, the West Armidale industrial precinct has been infiltrated by non industrial uses with over a third of land not used for industrial purposes. There are approximately 25 retail/bulky goods businesses operating in West Armidale with historical industrial zonings allowing bulky goods operations. The West Armidale precinct is an attractive location for bulky goods businesses due to accessibility to the population and reasonably high levels of passing traffic. It is also common to see older industrial areas convert to bulky goods because they often were initially developed away from residential areas though residential encroachment over time makes them ideal for bulky goods. This is particularly true for capital cities, but might be some valid discussion for Armidale. The popularity of West Armidale for bulky goods also indicates that there is not enough land for bulky goods elsewhere in Armidale.

Approximately a tenth of land is used for public administration and safety which includes the Armidale Dumaresq Council, Road and Traffic Authority and National Parks and Wildlife depots.

There are approximately 10 vacant industrial lots in West Armidale equating to a total of 2.1ha. While there are approximately 10 vacant industrial lots, only 3-4 appear to be available for sale/lease indicating that there is very little available land. In addition there are four vacant industrial/bulky goods buildings available for lease/sale. When industrial precincts exceed 90% occupancy, it is often difficult to fill the remaining lots. With the precinct largely developed, there is very little flexibility in lot sizes, location and shapes making it difficult to match available supply with demand.

Figure 4.3: Land Use in West Armidale



Source: AEC*group*

4.1.2 Acacia Park

The Acacia Park industrial precinct is located approximately 5km south east of the Armidale CBD. There are 35 industrial zoned lots in the precinct comprising a total of almost 120ha. Lots range in size from 1,300sqm to 27.8ha in size with an average size of approximately 3.4ha, which is significantly larger than those in West Armidale.

The industrial precinct is removed from passing traffic and is accessed from Seaton Road which runs off Long Swamp Road. As such, the precinct is not suited for bulky goods/showrooms and businesses that require passing traffic.

Approximately 37ha of vacant land located towards the south west of the precinct has potential environmental issues that may constrain development, with the majority Crown Land. While no independent studies have been conducted on these sites, they contain significant native woodland that could be environmentally sensitive box woodlands.

Figure 4.4: Acacia Park Industrial Precinct

Source: Google Maps

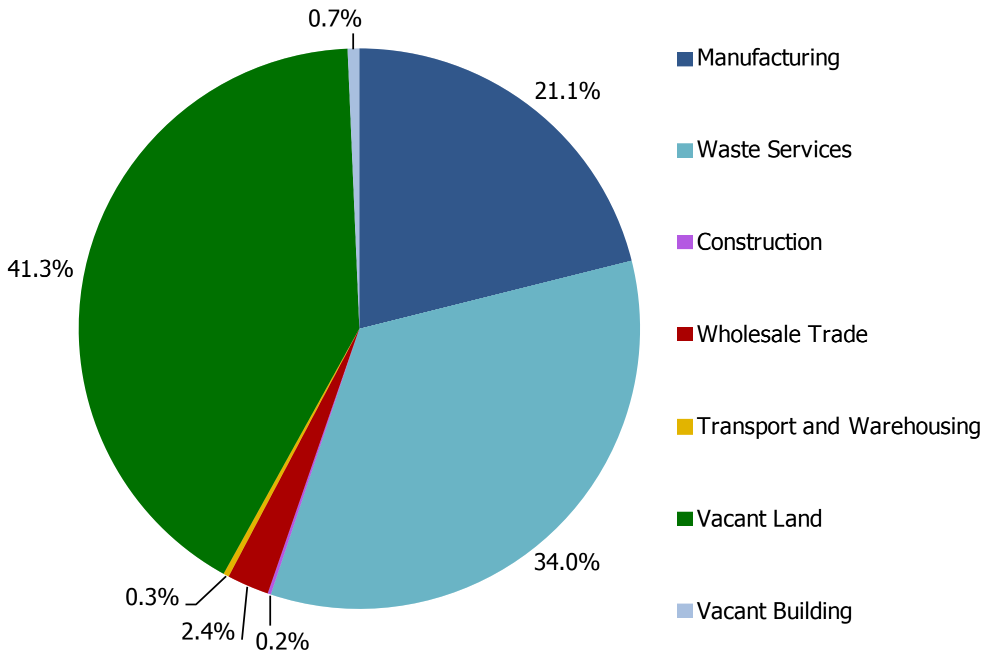
Approximately a quarter of land within Acacia Park is currently used for traditional industrial operations such as manufacturing, wholesale trade, transport and warehousing. Manufacturing accounts for approximately 20% of land use with major businesses including Aspen Furniture, Timberline Cabins and New England Timber. Over a third of the precinct is used for waste services that comprise a recycling operation and tip that is owned and operated by Armidale Dumaresq Council.

Based on the audit of industrial land, approximately 50 ha of industrial land in Acacia Park is vacant. This includes land at 65-87 Seaton Road that has development approval for a four lot subdivision with potential for over 25 lots. Despite the large amount of vacant land, there are only two lots currently advertised for sale/lease totalling 7,500sqm.

As previously discussed, approximately 37ha of the vacant land located towards the south west of the precinct has potential environmental issues that may constrain development. Armidale Dumaresq Council purchased a 10ha vacant lot towards the north east of the precinct with approximately 4ha sold to a neighbouring landholder.

Consultation with property developers and real estate agents indicate that while there is significant vacant land in Acacia Park, only a small proportion is on the market and available for development. There are several large land owners that only use a small proportion of their land meaning the intensity of development is not very high. However, the recent subdivision of land at 65-87 Seaton Street indicates there may be some land coming onto the market.

Figure 4.5: Land Use in Acacia Park



Source: AEC*group*

4.1.3 Available Land

While there is 52ha of vacant industrial zoned land in Armidale, the majority of land is not available/suitable for industrial development indicating that the supply of available industrial land is considerably lower. Approximately 37ha of the vacant land located in Acacia Park has potential environmental issues that may constrain development. A preliminary assessment indicates that only 10-15ha of land is available for new development due to perceived environmental constraints and tight ownership from existing land holders.

There is an additional 2.5ha of vacant land in West Armidale though the precinct is effectively at capacity. The limited flexibility in lot sizes, location and shapes will make it difficult to match available supply with demand.

4.2 Future Industrial Land

Land at the Armidale Airport (herein referred to as the "Airport Site") is the only other industrial zoned land available for future industrial development in the Armidale. The Airport Site is currently zoned 4(b) Industrial (highway) and comprises 70ha of land located to the south of the airport and on the western side of the New England Highway.

The site has a 1.3km frontage along the New England Highway and is bordered to the north by the airport and the heritage listed Saumarez Homestead to the west. The Croft, a 2.7ha Victorian residence, is located within the Airport Site. The New England Regional Companion Animal Shelter is also located with the Site.

The Airport Site is currently undeveloped and not serviced with infrastructure including water, sewerage, electricity and gas.

Figure 4.6: Airport Precinct

Source: Google Maps

4.3 Summary of Industrial Land Supply

There is currently an estimated 146.9ha of industrial land available for industrial use including almost 130ha that is occupied. It has been estimated that there is approximately 17.5ha of vacant land that is suitable for development with large parcels of vacant land deemed to be constrained for development due to potential environmental issues. The majority of the vacant land is located within the Acacia Park precinct which is removed from the town with no passing traffic and accessibility issues. There is very limited vacant land available in West Armidale with only a handful of lots available for lease/sale.

The Airport Site is the only area currently zoned for future industrial development and comprises 70ha of land. The site is not available for development as it is currently not serviced by infrastructure. As such there is no additional industrial land that is currently in the development pipeline to increase supply.

Table 4.3: Industrial Land in Armidale (ha)

Precinct	Vacant Land	Occupied	Total
Existing Industrial			
Armidale West	2.5	56.3	58.8
Acacia Park	15.0*	69.0	84.0
Other	0.0	4.1	4.1
Total	*17.5*	*129.4*	*146.9*
Future Industrial			
Airport Site	70.0	0.0	70.0
Total	**87.5**	**129.4**	**216.9**

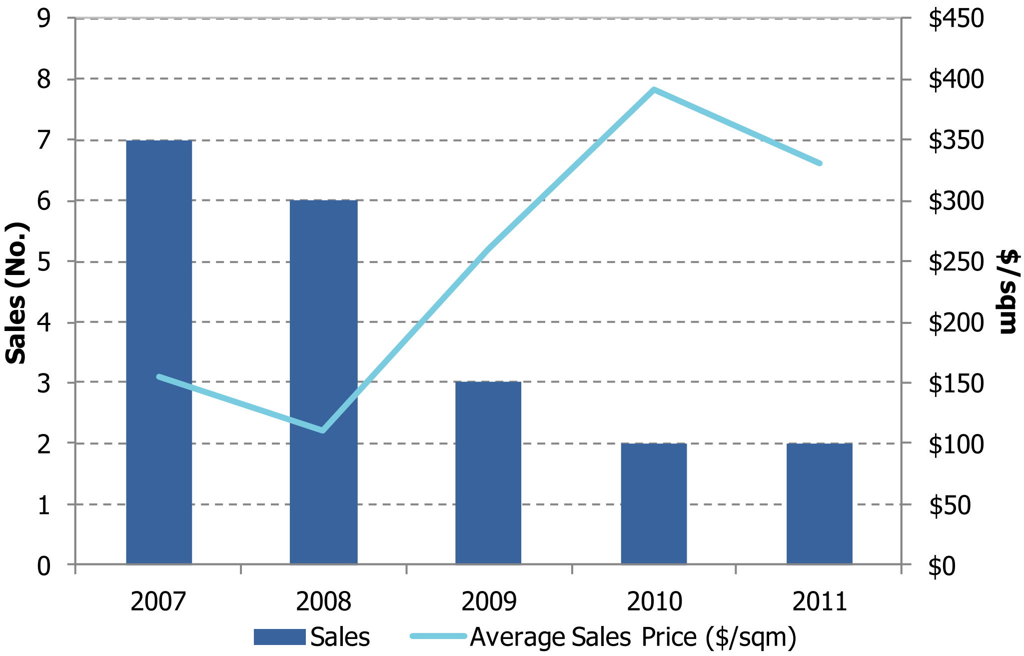
Note:* Industrially zoned land deemed undevelopable has been removed from the vacant total.
Source: AEC*group*

5. Industrial Land Demand

5.1 Industrial Land Sales

During the past five years there have been only 20 industrial land sales in Armidale indicating that the market is relatively tight. The number of sales has declined over recent years and only recorded two sales in 2010 and two in 2011 up to September 30. At the same time, industrial land sales have increased from around $110/sqm in 2008 to $330/sqm in 2011. This trend of declining sales and increasing prices indicates that there is a shortage of industrial land with strong demand and the increasing influence of bulky goods retailing in the industrial area forcing up prices.

Figure 5.1: Industrial Land Sales



Note: Sales to 30 September 2011.
Source: RPdata

A comparison of industrial properties for sale and rent in Armidale and several benchmark towns in regional NSW indicate that industrial land costs in Armidale are significantly higher than the average.

- **Armidale:** There is limited industrial land for sale in Armidale with small lots (1,000sqm – 2,500sqm) advertised for sale in Southern Cross Drive for approximately $250/sqm. Existing sheds are currently available for lease for between $100-$150/sqm.
- **Tamworth:** Industrial land in Tamworth averages between $80-$110/sqm with the smaller lots between 1,000-2,000sqm attracting prices of around $100/sqm. Council continues to release significant parcels of industrial land in Tamworth to increase supply. An industrial development was undertaken near the airport and priced at well below market rates to entice existing industrial businesses out of commercial areas.
- **Orange:** Vacant industrial land in Orange is located towards the north of the town with land exhausted to the south. Vacant land with direct access to the new distribution road is selling for between $120-$140/sqm while land that is removed from the road averages around $70/sqm.
- **Bathurst:** Bathurst Regional Council is a major developer of industrial land and currently has several lots available for sale within their Kelso Industrial Park. Lots range in size from 5,500sq -13,000sqm and advertised for approximately $50/sqm.

Table 5.1: Industrial Land Values and Rents

Town	Vacant Land Values	Industrial Building Rents
Armidale	$200-$250	$100-$150
Tamworth	$80-$110	N.A
Orange	$70-$140	$75-$110
Bathurst	$40-$50	$50-$75

Source: AEC*group*

5.2 Take Up Rates

The take up of industrial land can be defined as vacant industrial land being developed for industrial use. The historical take up of industrial land can be used to assess the demand for industrial land. However, for take up rates to accurately reflect demand, there must be adequate industrial land available for development.

While there is no consolidated data on take-up rates in Armidale, consultation with property developers and real estate agents indicates that there has been very little industrial development in the last decade. Industrial property market commentators point to the lack of supply as the reason historical take up has been so low rather than limited demand. Consultation with property developers, real estate agents, existing industrial businesses and economic development officers indicate that there has been demand for industrial land in Armidale over the last decade with limited land available for development.

Consultation with real estate agents in comparative towns was undertaken to benchmark the take up of industrial land. Take up in Tamworth was reported to be relatively slow over recent years and has averaged approximately 1ha per year. Agents reported the shortage of available, centrally located industrial land as inhibiting the take up of industrial land.

In Orange, real estate agents reported slightly higher take up of industrial land in recent years of between 1.5-2ha per annum with growth in the mining sector helping to drive growth.

5.3 Industrial Trends

The transport and logistics sector has recorded strong growth in the last decade as businesses place a strong emphasis on distribution. Over the last decade, national employment in transport and logistics has recorded average annual growth of 2.7% with the contribution to the economy growing at 3.7%. Access to transport infrastructure is becoming increasingly important in the employment lands sector with businesses increasingly reassessing their distribution networks and relocating operations based on efficiency gains from an improved location.

The manufacturing sector in Australia has been undergoing significant change in the last two decades. Established manufacturing operations in Australia have being experiencing significant pressure from other countries where the cost of labour and operation is considerably lower. This has seen a lot of 'lower value add' manufacturers (characterised by less technologically advanced operations manufacturing relatively cheap products) move overseas to take advantage of lower costs.

As the 'lower value add' manufacturers move offshore, the Australian manufacturing sector has been transforming with growth in the advanced high value sector. The expanding sector is characterised by significant investment in innovation, research and development which sets it apart from other countries. Bioniche, a company that develops and manufactures animal health products, is an example of an advanced manufacturing company in Armidale leveraging the research opportunities in the region.

A trend affecting the demand for employment lands has been the emerging trend towards combined operations. This includes companies consolidating operations into a single site that combines administration, manufacturing, showroom, warehouse, distribution activities. These businesses generally require high road visibility so they can attract people to their showroom.

5.4 Projected Demand

5.4.1 Methodologies

Demand for new industrial land can be sourced from two channels:

1. Expansion of the existing industrial sector; and/or
2. Attraction of new businesses to the region.

There is typically a positive correlation between population growth, economic activity and demand for industrial land as industrial activity is required to service the demands of other business, industry and household activity. The most important demand drivers to be considered in developing estimates of industrial land demand include:

- **Economic growth**: The demand for goods and services stimulates investment in productive capacity and increased demand for industrial land to locate production facilities and accommodate employees;
- **Employment**: As economic prosperity rises so too does employment and, assuming labour productivity remains strong, the level of production increases accordingly;
- **Population**: Strong economic and employment growth requires net labour (and associated family) inflows to meet demand. Population growth impacts primarily influence demand for low impact industrial operations that service residents such as mechanics, construction businesses and tradesmen;

There are a number of methodologies that can be used to estimate demand for industrial land, including:

- **Historical land take up rates:** The approach analyses the take up of industrial land in a region over previous years to estimate an annual average take up. The historical trend is assumed to continue into the future with future demand projected by multiplying the number of years in the forecast period by the historical average take up rate.
- **Population/employment projections**: Data is used to assess the proportion of residents in a region that work in industries using industrial land. Population projections and unemployment and labour force participation trends are used to generate employment projections for the region. The number of people working in industries using industrial land are estimated by assuming the proportion of employment in each industry into the future. Demand for industrial land is projected by multiplying the number of "industrial jobs" by employment density benchmarks for industrial land.
- **Economic growth projections:** The approach starts with the existing economic size and structure and projects future annual growth in each industry based on the key market drivers. Using employment productivity forecasts, the number of people employed in each industry sector is projected into the future. Demand for industrial land is projected by multiplying the number of "industrial jobs" by employment density benchmarks for industrial land.

An overview of the risks and benefits of each approach is reported in **Table 5.2**.

Table 5.2: Benefits and Risks of Alternative Modelling Approaches

Method	Benefits	Risks
Historical Take Up Rates	• Simplicity of approach and interpretation of outcome.	• Does not account for low historical take-up due to lack of available land for development • Time series data not readily available. • Recent trends can be determined, but this is at a specific stage in the economic cycle, rather than longer term growth rates over the entire economic cycle (potential to under/ overestimate future demand based on recent land take up rates).
Resident Population Based	• Simplicity of approach and interpretation of outcome. • Good time series of population and employment data to understand long term growth rates.	• Looking forward, typically assumes current industry structure, with limited capacity to examine changes in industry activity or technological advancement. • Economic and employment growth is limited by population growth forecasts.
Economic Growth Based	• Outcomes is not constrained by population growth – implicitly assumes population migrates to areas that offer good employment and wage opportunities.	• At the council level, year to year economic and employment growth estimates tend to be very volatile. • Outcomes dependent on growth assumptions.

Source: AEC*group*

Due to the lack of industrial land available for development in Armidale over the last decade, it is almost certain that the historical take up approach would greatly underestimate the future demand and need for industrial land. In a similar vein, the historical lack of industrial land in Armidale has prevented industrial existing businesses from expanding and new businesses from locating to Armidale with the number of people employed in the industrial sector almost certainly be higher if there was more land available. As such, the existing industry structure is not a good indicator for the amount of land that would be demanded in the future.

The industrial land forecasts undertaken within the Armidale Bulky Goods and Industrial Land Study (SGS, 2010) were based primarily on the NSW Department of Planning population projections and employment by industry breakdowns from the 2001 and 2006 Census. The analysis resulted in limited demand for additional industrial land in the short term and declining from 2016 to 2031. There are issues with this approach which include:

- Analysis of the industrial market indicates that the size of the industrial sector in Armidale has been constrained by the availability of industrial land. As such, the proportion of employment in industrial sectors at the time of the 2001 and 2006 censuses is not a good indicator of future growth potential.
- The change in employment between 2001 and 2006 has been used to forecast future growth. As previously mentioned, the lack of available land between 2001 and 2006 means that the change is likely to be significantly lower than what it could have been.
- Population projections are also a key driver of industrial land demand. Based on the release of ABS population estimates, it appears likely that the NSW Department of Planning population projections underestimate potential population growth in Armidale.
- The SGS report also projected a decline in Australian manufacturing activity. As previously outlined, the Australian manufacturing sector is evolving with higher value-add operations emerging at the expense of lower value-add operations. These operations are emerging throughout the country including within existing industrial precincts.

Due to issues associated with using historical data and trends to project future industrial land demand, the economic growth approach has been deemed to be the most appropriate for Armidale. The approach assesses the likely economic growth that can be achieved in Armidale and the amount of additional industrial land that will be required to support the growth.

The economic growth approach does not account for the potential current demand for industrial land that cannot be serviced due to the lack of supply. In order to estimate this current demand, a consultation approach has been included to quantify this demand. The consultation approach involves speaking to property developers, real estate agents, existing industrial businesses and economic development officers to quantify the total number of serious land enquiries. The results are then discounted assuming that some of the enquiries appear likely to have been speculative.

While the economic growth approach will be used, historical take up rates and benchmarking data will also be assessed to ensure that the modelling outcomes are reliable and market tested.

5.4.2 Current

Consultation with property developers, real estate agents, existing industrial businesses and economic development officers indicate that there is an existing shortage of industrial land. This view is supported by the large number of enquiries from companies looking to establish or expand operations in Armidale that were unable to do so due to land availability issues. The inability to consume industrial land due to supply restrictions is often referred to as 'latent demand'. Latent demand can be said to refer to the amount of industrial land that would be demanded by the market should there be sufficient supply.

Consultation with stakeholders identified that there has been serious interest from over 25 companies in the last five years looking for industrial land to establish an operation of expand their existing business. Enquiries came from a range of businesses including transport, manufacturing, building supplies and bulky goods companies.

These enquiries amounted to a total of 30.5ha, equating to an annual average of 6.1ha. This is expected to underestimate latent demand as the long term shortage of industrial land in Armidale has resulted in companies not even bothering to enquire about available land as they know that there is nothing available. An 80% weighting was applied to account for the seriousness of some enquiries (i.e. not every business that was seriously considering Armidale would have actually built a facility). Based on consultation, it has been estimated that there is latent demand for approximately 4.8ha of industrial land in Armidale in 2011.

Consultation with property developers, real estate agents, existing industrial businesses and economic development officers also highlighted some of the key site characteristics required by businesses.

- **Highway Access:** Good access to highways and major road networks are crucial to transport companies and those that need to distribute products outside the region. These businesses require easy access to and from the industrial land to the New England Highway without having to drive through residential areas and smaller roads. Direct access from the highway to the industrial land is particularly attractive to these businesses as it saves transport time and costs.
- **Passing Traffic/Visibility:** A lot of industrial businesses require good visibility as their operation often includes a production and sales elements. Businesses such as building product manufactures are primarily a manufacturing company though require a small showroom to present their products to potential customers. These businesses require good visibility from passing traffic so potential customers are aware of their operation.
- **Lot Sizes:** Businesses require different lot sizes depending on their operation. There is strong demand from smaller lots ranging from 1,000-4,000sqm with new businesses in particularly looking for these sized lots. Transport and distribution companies generally require larger lots of 0.5-2ha as they need significant space for large trucks to park and turn around. It is important to have flexibility and choice in relation to lot sizes so there are a range of different lots to meet the differing needs of potential businesses.
- **Amenity:** There are a lot of companies such as small wholesalers, trades companies and light manufacturers that require a mix of office and warehouse/factory space for their operation. These businesses often look for industrial space that has good amenities such as landscaped areas, cafes and services and is removed from heavier operations.

5.4.3 Projected

Two economic growth scenarios have been assumed to project the future demand for industrial land in Armidale. Due to historical take up of industrial land being so low and the existing economic structure geared towards education, a more aspirational outlook was adopted reflecting the consultation findings.

- **Targeted Economic Growth:** The Armidale Economic Development & Tourism Strategy report identified a range of growth scenarios. Scenario 4 comprised medium population growth projections (With an increasing population of 30,000 by 2021) and a changed economic structure through economic development activity to 2021. The growth scenario includes changes in the current economic structure to reflect growth expectations and opportunities for key industries.
    - **Transport:** The transport and logistics sector is growing nationally and Armidale's strategic location between Sydney and Brisbane is expected to drive strong growth in the sector. This provides Armidale with proximity to major Australian markets and access to export opportunities.
    - **Manufacturing:** Armidale has the potential to record strong growth in the high value add manufacturing sector with opportunities in the animal health and agricultural sectors. Animal health and agricultural products are areas that Armidale is well positioned to foster. The importance that manufacturers are now placing on distribution is also expected to drive growth in manufacturing in Armidale.
    - **Wholesale Trade:** The wholesale trade sector in Armidale is expected to record strong growth influenced by demand from an expanding population and an ability to service the surrounding region with good transport access.
    - **Supporting Industry:** Population growth in Armidale will increase demand for industrial services such as mechanics, construction services and building products.
- **High Industrial Growth:** Due to the lack of industrial land in Armidale and the focus of the town as a service centre to the wider region (with considerable strength in industries such as education, health, retail and professional services), the industrial sector has recorded relatively lower growth than other regions in the last 20 years. Analysis of the economic structure indicates that the industrial sector in Armidale employs 7.2% of the workforce. In comparison, the Northern Tablelands Statistical Division (SD) and Regional NSW recorded significantly higher ratios in 2006 of 11.5% and 17.0% respectively. Under this scenario, it is assumed that the relative size of the industrial sector in Armidale could increase in line with the Northern Tablelands SD average by 2036, with the region recording medium population growth.

Based on the two growth scenarios, it is projected that employment in Armidale's industrial sector could increase by between 940-1,450 over the next 25 years.

Table 5.3: Projected Employment in Armidale Industrial Sector, Number of Jobs

Industrial Sector	2011	2016	2021	2026	2031	2036	Change
Targeted Economic Growth							
Heavy Manufacturing	97	163	188	211	228	236	140
Light Manufacturing	187	201	223	257	292	330	143
Wholesale Trade	333	386	449	521	603	695	362
Transport, Warehousing & Storage	191	221	254	291	333	379	187
Supporting Industry	146	163	183	205	229	256	111
Total	**954**	**1,133**	**1,297**	**1,486**	**1,685**	**1,896**	**942**
High Industrial Growth							
Heavy Manufacturing	97	190	266	334	395	442	346
Light Manufacturing	187	234	316	408	506	618	430
Wholesale Trade	333	360	399	439	479	519	186
Transport, Warehousing & Storage	191	263	342	421	499	578	387
Supporting Industry	146	162	180	200	223	249	103
Total	**954**	**1,207**	**1,503**	**1,802**	**2,102**	**2,406**	**1,452**

Source: AEC*group*

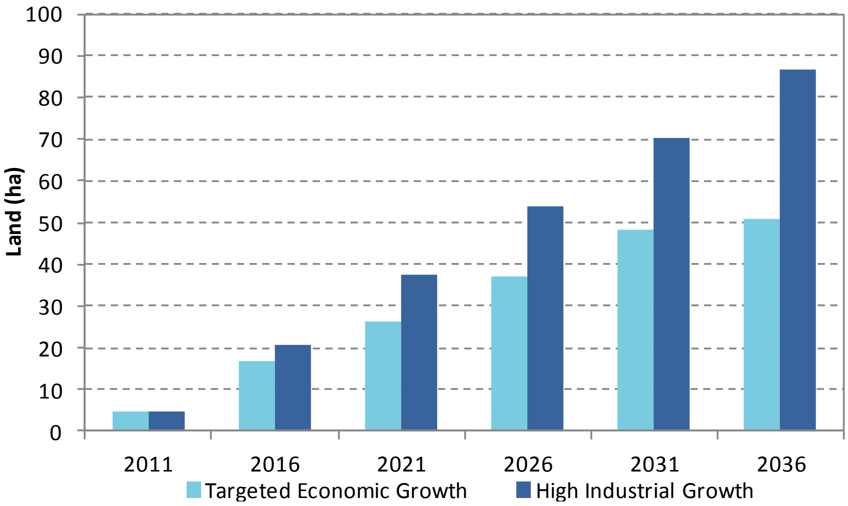
Employment density benchmarks have been used to estimate the required amount of employment land to meet the employment targets. The benchmarks have been developed through leveraging studies in capital cities and adjusting for Armidale. Each of the categories of employment land accommodates different levels of employment due to the differences in land use requirements. The following benchmarks have been adopted for the study:

- Heavy General Industry employs 18 employees/ha
- Modern General Industry employs 30 employees/ha
- Wholesale Trade 20 employees/ha
- Transport, Warehousing & Storage employs 20 employees/ha
- Supporting land uses employ 25 employees/ha

Forward planning exercises for employment land must also consider the accommodation of services (such as roads, parking and utilities), open space and buffers. Benchmarks indicate requirements for services, roads and buffers of approximately 30% of the total industrial area. This open space represents an indicative allowance for buffering. Buffers will be determined as part of the detailed investigations necessary to support a rezoning.

Based on the assumptions above, there is projected additional demand for between 50ha -87ha of industrial land in Armidale by 2036 (see **Figure 5.2**). This equates to demand of between 2-3.5ha per annum over the next 25 years.

Figure 5.2: Additional Industrial Land Demand



Source: AEC*group*

6. Bulky Goods Assessment

As previously discussed, bulky goods operations have infiltrated the West Armidale industrial precinct over the last 20 years indicating that there is sufficient passing traffic/visibility to make it an attractive location and that there are limited alternate areas in Armidale suitable for bulky goods development. Due to industrial and bulky goods uses competing for land in West Armidale, an assessment of the bulky goods sector has been undertaken to assess the required need for land for bulky goods use.

6.1 Bulky Goods Definition

The bulky goods sector is a subset of the retail sector that involves the selling of a range of products which include large items. The sector is characterised by larger 'footprint' premises that require significant space for handling and display, large storage areas, adequate car parking facilities for customers and sufficient direct load access for deliveries and to enable goods to be collected by the customers after sale.

Bulky goods retail categories include:

- Furniture;
- Large electrical products including televisions, home theatre systems, refrigerators, freezers, washing machines, dryers, dishwashers, stoves, ovens and other white goods;
- Camping and outdoor recreational equipment;
- Outdoor products including barbeques and outdoor furniture;
- Kitchen, bathroom and lighting fixtures;
- Floor and window coverings such as carpets, rugs, timber, tiles, blinds and curtains;
- Bedding and manchester;
- Automotive parts and tyres;
- Swimming pools and pool products;
- Hardware and tools; and
- Timber and building supplies.

While households represent the majority of spending on bulky goods, the business sector also represents a key customer of bulky goods businesses. This is particularly the case in relation to bulky goods businesses servicing the construction sector such as hardware, timber, building supplies and kitchen, bathroom and lighting fixtures.

6.2 Supply

There is an estimated 30,600sqm of bulky goods floorspace located within Armidale with the key precincts including:

- **West Armidale:** The largest bulky goods precinct with a range of national chain stores (such as Fantastic Furniture, Home Hardware and Carpet Choice) and independent stores. Operations include furniture, hardware, building supplies, outdoor products, floor and window coverings and automotive accessories.
- **Armidale CBD:** A handful of bulky goods retailers are located within the CBD and include furniture, lighting, outdoor products, floor and window coverings and automotive accessories
- **Girraween:** A small retail centre located to the north of the Armidale CBD and anchored by a Harvey Norman store selling bulky goods (such as furniture, large electrical appliances, bedding and homewares) as well as smaller retail goods.
- **Bunnings:** Bunnings opened a large stand alone hardware, timber and building supplies store on the corner of Barney, Canambe and Brown Streets.

There is also approval for a second stage of construction within the Bunnings site which would increase the supply of bulky goods floorspace if developed by approximately 5,000sqm.

6.3 Demand

6.3.1 Methodology

AEC*group* has developed a proprietary retail model to assess the demand for retail and bulky goods floorspace in a given catchment. The retail model is based on the Australian Bureau of Statistics (ABS) Household Expenditure Survey, Australia – 2009-10 which reports average expenditure by households on different categories. Average expenditure is reported for Regional NSW with these estimates revised for the study catchment area by comparing average household incomes in the catchment with the Regional NSW average. Average household expenditure is multiplied by the number of households in the catchment to estimate annual household retail expenditure.

Business expenditure on bulky goods items (such as construction business expenditure on hardware, building materials and fixtures) is also considerable and is incorporated in the model by allocating a proportion of bulky goods expenditure to the business sector.

6.3.2 Catchment Area

The bulky goods trade area and customer markets served by Armidale reflect its role as the retail, commercial and administrative centre for the broader New England region. The extent of the retail/bulky goods catchment for any town is shaped by a number of crucial factors, including (but not limited to):

- The relative attraction of Armidale's bulky goods stores compared with competing towns. The factors that determine the strength and attraction of a town's bulky goods sector are the scale and composition of the centres, quality of major traders, the presentation and layout of the centres, and car parking including access and ease of use;
- The proximity and relative attractiveness of competing towns serve to restrict a bulky goods centre's ability to extend its trade area. Therefore, the location, composition, quality and scale of competitive bulky goods facilities all serve to define the extent of the trade area which the centres are effectively able to service; and
- Available road and transport networks are also important factors contributing to a centre's relative appeal given they impact on the ease of access.

The above factors have been considered in conjunction with the role and competitive advantages of Armidale, including its attractors and activity catalysts, along with convenience/access and administrative role to the surrounding region, to define a catchment for Armidale's bulky goods sector.

The catchment includes a Primary Trade Area (PTA) and a Secondary Trade Area (STA).

- PTA: Comprises the Armidale Dumaresq LGA.
- STA: Comprises the surrounding LGAs of Guyra, Uralla and Walcha.

It should be noted the definition of this trade area does not suggest all households in this area frequent Armidale for bulky goods. There is likely to be leakage of expenditure to nearby towns such as Tamworth.

6.3.3 Bulky Goods Expenditure

There was estimated expenditure of $101.1 million on bulky goods in Armidale during 2011. Projected population and household growth in Armidale is projected to drive growth in bulky goods expenditure over the next 25 years of $85.5 million.

Table 6.1: Projected Bulky Goods Expenditure in Armidale, $M

Year	Expenditure ($M)
2011	$100.1
2016	$113.5
2021	$120.6
2026	$142.9
2031	$159.8
2036	$185.6
Change (2011-36)	**$85.5**

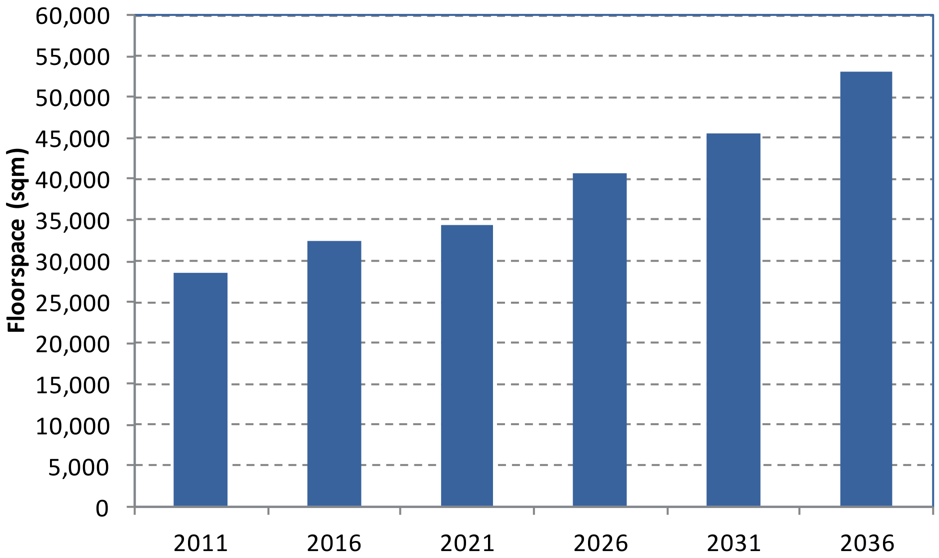
Note: Al expenditure estimates are in 2011 dollars.
Source: AEC*group* (2011c)

6.3.4 Bulky Goods Floorspace

Demand for bulky goods floorspace in Armidale has been estimated based on projected expenditure and a bulky goods turnover ratio of $3,500/sqm. Based on industry benchmarks, a turnover ratio of $3,500/sqm has been assumed reflecting the bulky goods sector in regional NSW.

There was an estimated demand for 28,600sqm of bulky goods floorspace in 2011 which is projected to almost double over the next 25 years to 53,000 sqm in 2036.

Figure 6.1: Bulky Goods Floorspace (sqm)



Source: AEC*group* (2011c)

7. Gap Analysis

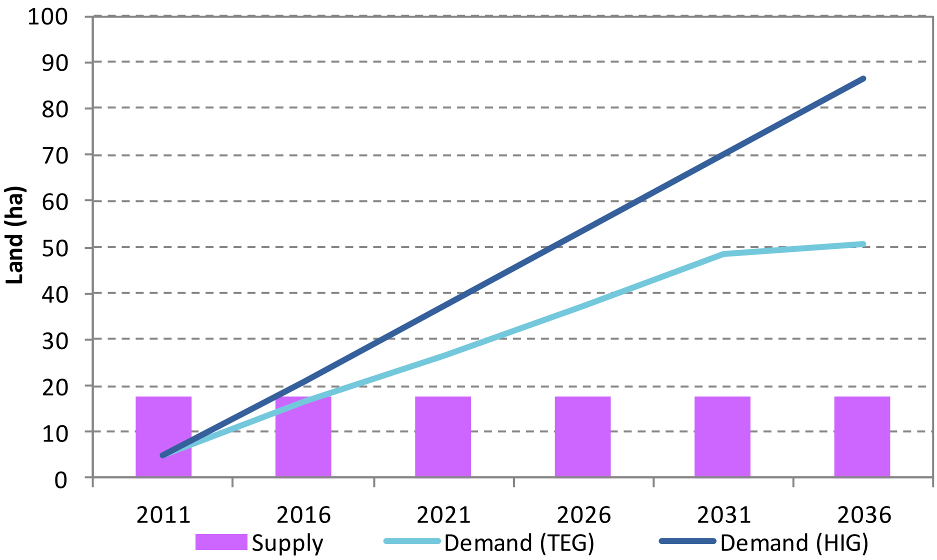
7.1 Industrial Land

There is an estimated 17.5ha of vacant industrial land in Armidale that is suitable for industrial development. Based on this quantum of vacant supply, there is sufficient supply to meet demand until 2016 before a shortage is projected to increase over time to between 33-69ha by 2036.

As previously outlined, the majority of vacant industrial land is located within the Acacia Park industrial precinct. The precinct is removed from town, with some constraints over road accessibility and virtually no passing traffic. It is important that there is available industrial land with different characteristics to suit different industries and businesses. Ideally, industrial land with different characteristics needs to be released well in advance of projected demand so that businesses are able to act quickly and access land when it is required. Trying to respond to demand as it arises is not efficient as businesses often have tight timeframes in which to expand and establish operations.

Consultation with property developers, real estate agents, existing industrial businesses and economic development officers indicate that there is demand from businesses for land that has good highway access and visibility from passing traffic. These are not key characteristics of Acacia Park and as such, there is a disconnect between the demand and existing supply of land. While the gap analysis highlights a sufficient quantum of supply in the short term to meet demand, market dynamics indicate that there is a shortage of the type of industrial land that businesses require.

Figure 7.1: Industrial Land Supply and Demand (ha)



Note: TEG – Targeted Economic Growth Scenario, HIG - High Industrial Growth Scenario
Source: AEC*group*

It is recommended that the release of industrial land supply lead demand in order to provide choice to businesses and sufficient land to be able to react quickly to spikes in demand. This involves having sufficient serviced zoned land available for immediate development and additional zoned land that can be serviced in a relatively short timeframe should demand be higher than anticipated.

It is recommended that there should be approximately a 15 year supply of zoned industrial land. As a rule of thumb, this should include:

- Five years worth of supply that is fully serviced and available for immediate development;
- Five years worth of supply that has access to trunk infrastructure and can be fully serviced in a relatively short timeframe; and
- Five years worth of supply that is zoned industrial.

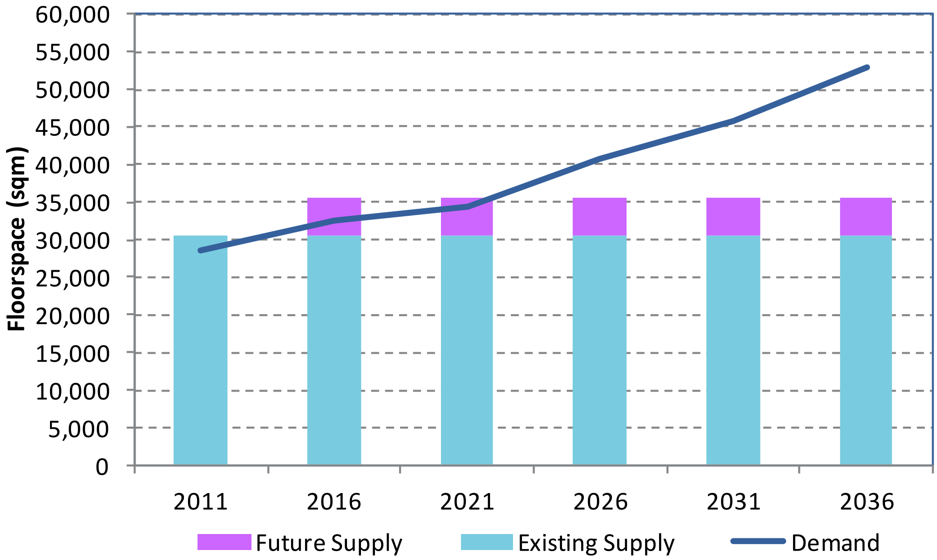
The zoning and servicing of industrial land should be rolled over time to ensure there is always 15 years' worth of supply. Once the fully serviced land reaches 40% occupancy, the next release should have infrastructure extended and be fully serviced. At the same time, planning should be underway to extend truck infrastructure to the next planned release.

7.2 Bulky Goods

There is an estimated to be a slight oversupply of bulky goods floorspace in Armidale of approximately 2,000sqm. This reflects the recent development of the Bunnings store in Armidale that considerably increased the supply of bulky goods floorspace in the town. The oversupply is also supported by the vacant floorspace at the Viaduct Centre in the West Armidale industrial precinct.

Projected population and household growth in Armidale is projected to drive growth in demand for bulky goods floorspace of over 23,300sqm by 2036. Assuming the second stage of the Bunnings development is constructed, there would be an additional 5,000sqm of bulky goods floorspace in Armidale. Based on this scenario, the town is projected to record a need for an additional 22,400sqm by 2036 including the proposed Bunnings expansion.

Figure 7.2: Bulky Goods Floorspace Supply and Demand (sqm)



Source: AEC*group* (2011c)

Bulky goods developments have a significant requirement for parking and direct load access. Site coverage ratios for bulky goods developments in regional centres generally range from about 35-60%. Based on demand for an additional 22,400sqm of bulky goods floorspace, there is a need for approximately 3.0ha-6.5ha of land for bulky goods.

8. Site Assessment

8.1 Site Criteria

In order to assess future land for industrial and bulky goods purposes, the following key criteria have been identified. The criteria have been assessed for the relevance for different industrial land uses.

Table 8.1: Site Criteria

Characteristic	Transport and Logistics	General Manufacturing	Heavy Manufacturing	Support Industries	Bulky Goods
Road Access	Require good access to highways and main roads.	Need heavy vehicle access.	Need heavy vehicle access.	Road frontage and access to passenger vehicles	Road frontage, heavy vehicle and passenger vehicles access
Clustering	Encourages the concentration of truck movements on a select few routes	Locating operations in a precinct can concentrate negative externalities.	Locating operations in a precinct can concentrate negative externalities.	Desirable as there is often significant business to business trade.	Helps support a strong retail hierarchy.
Proximity to Residential Land	Preferably removed from residential areas due to large trucks and noise.	Preferably removed from residential areas due to negative externalities such as noise, dust and traffic.	Significant negative externalities require land to have buffers to residential area.	Preferably slightly removed from residential areas due to traffic volumes and some noise.	Preferably slightly removed from residential areas due to traffic volumes and some noise.
Proximity to Commercial Centres	Removed from commercial centres due to large trucks and noise.	Generally removed from commercial centres due to negative externalities.	Significant negative externalities require land to be removed from commercial centres.	Benefits from being located in close proximity to commercial centres.	Bulky goods retail should be ideally located in centres to support the existing retail hierarchy or bulky goods precincts.
Visibility/Passing Traffic	Preferably low traffic to minimise road congestion	Preferably low traffic to minimise road congestion	Preferably low traffic to minimise road congestion	High visibility and passing traffic is desirable to build business.	High visibility and passing traffic is crucial.

Source: AEC*group*

While the desirability of the above site characteristics differ between business type, there are characteristics that are common to all industrial and bulky goods uses. The viability of development is crucial to assessing potential land for industrial and bulky goods development. Constraints such as flooding, environmental sensitivity, cultural/heritage protection and height restrictions can reduce the potential for development. Industrial and bulky goods development generally requires relatively flat land for development with significantly sloped land negatively impacting the financial feasibility of development.

Existing land zoned for industrial and bulky goods was assessed as this would reduce the need for additional rezoning. Rezoning land can often be a time intensive and difficult process.

8.2 Potential Future Sites

Based on an assessment of the Armidale area and consultation with Armidale Dumaresq Council staff, property developers, real estate agents, existing industrial businesses and other stakeholders, several sites were identified as having potential for industrial development. The following sites were analysed against the above criteria with recommendations relating to potential industrial development in the following chapter.

8.2.1 Airport Site

There is approximately 70ha of industrial zoned land south of the airport. The site has a 1.3km frontage along the New England Highway and is bordered to the north by the airport and the heritage listed Saumarez Homestead to the west. The Croft, a 2.7ha Victorian residence, is located adjacent to the Airport Site. The New England Regional Companion Animal Shelter is located within the Site.

The Airport Site can be divided into three parcels by the Croft and a road easement. When the Croft lot is removed from the total, there is 66.5ha of industrially zoned land comprising 15.9ha towards adjacent to the airport, 27.8ha to the west of the 'The Croft' and a further 22.9ha further to the west on the opposite side of a road easement.

The 15.9ha lot adjacent to the airport is the prime developable land due to its proximity to the airport and the fact that it is relatively flat. A large proportion of land in the middle parcel has a gradient in excess of 5% which significantly increases the cost of potential development. Land in the southern parcel has a slight slope of less than 5% which would not impact to heavily on development potential (see **Appendix B**). When land is removed due to excessive slope, there is an estimated 35.3ha of developable land.

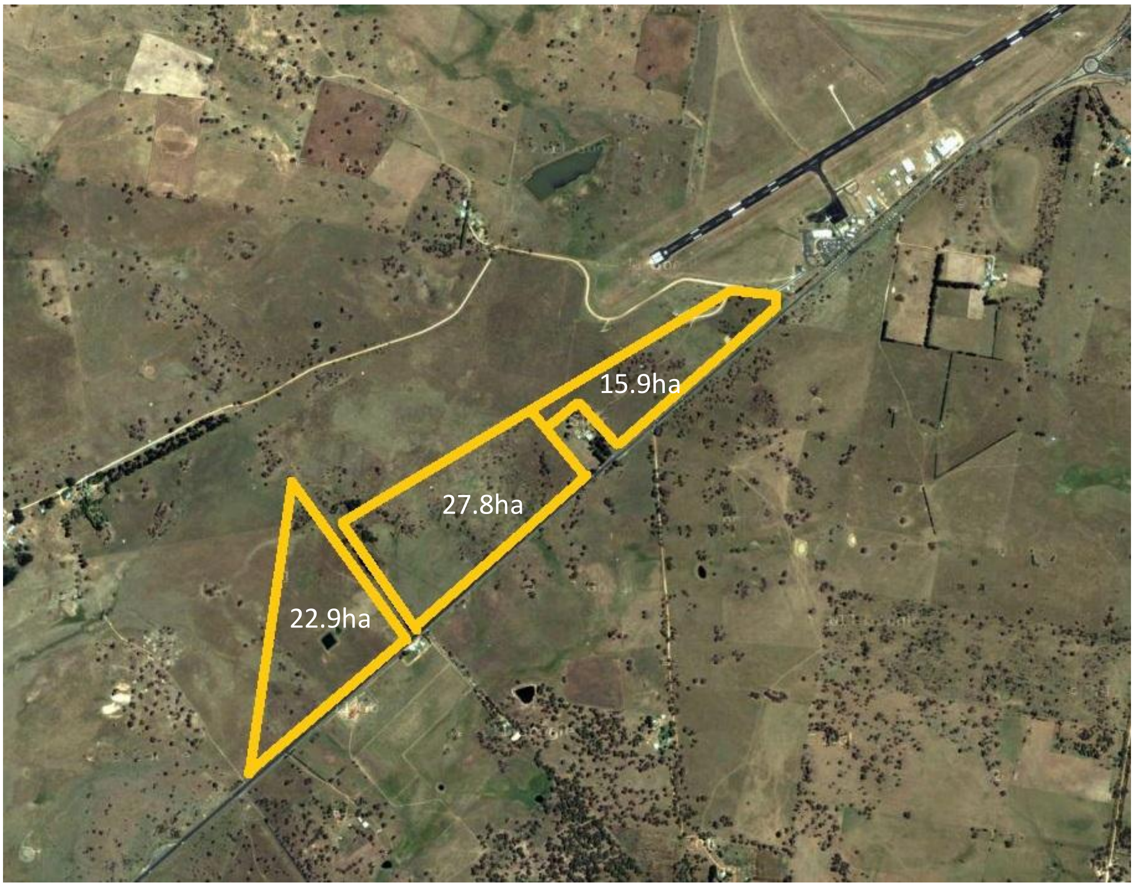
The location along the New England Highway provides excellent access to the major transport route which will be attractive to transport and logistics companies. However, approval from NSW Roads and Maritime Services (RMS) (formerly the Roads and Traffic Authority) is required for the site and the management of industrial land access together with airport access is a key issue which requires further investigation before implementation.

The visibility from the Highway and high passing traffic makes the site suitable for light industrial operations requiring showroom space for their products. These key site characteristics also make the site attractive for bulky goods development. While bulky goods businesses are often cautious about being the first to locate to a new commercial area, a development involving commitments from several large operations could 'kick start' the precinct as a bulky goods centre. The level of signage and exposure along the New England Highway would also need to be managed as the site is at the gateway to Armidale and could be negatively impacted by excessive signage.

The Airport Site is currently undeveloped and not serviced with infrastructure including water, sewerage, stormwater and gas. However, these services are provided at the adjacent airport.

- **Water:** Water pipes extend along Uralla Road and cease at the intersection with the New England Highway where they service the Airport. Pipes would have to be extended along the New England Highway to service the Airport Site.
- **Sewerage:** Sewerage pipes extend along Uralla Road and cease at the intersection with the Alinnya Lane. Pipes would have to be extended along Uralla Road and the New England Highway to service the Airport Site.
- **Electricity:** Electricity cables are located along the New England Highway providing access to the Airport Site.
- **Stormwater:** There is no stormwater infrastructure in the vicinity of the Airport Site and would need to be incorporated as part of development.

Figure 8.1: Airport Site



Source: Google Maps

8.2.2 Airport East Site

The site is located directly adjacent to the Armidale Airport on the eastern side of the New England Highway. The site is currently zoned Rural Living (1b) though the owner has previously expressed a desire to develop the site into an industrial (and possibly bulky goods retail) centre. The site comprises a 7.0ha lot to the north and a 46.6ha lot to the south.

In order for the development to occur, the land would first need to be rezoned for the proposed uses. The proximity to the airport significantly reduces the attractiveness of the site for residential uses due to negative externalities such as noise and heavy traffic. On the other hand, the proximity to the airport makes it an attractive location for industrial businesses with potential synergies.

The attractiveness of the site for retail and industrial development was supported by the strong interest received by the owner from businesses keen to establish operations in the new precinct. The proposed development encompassed the northern lot with the southern lot purchased afterwards to improve access to the New England Highway. Consultation with real estate agents indicates that the owner received commitments from several businesses to establish in the precinct should it be approved and developed.

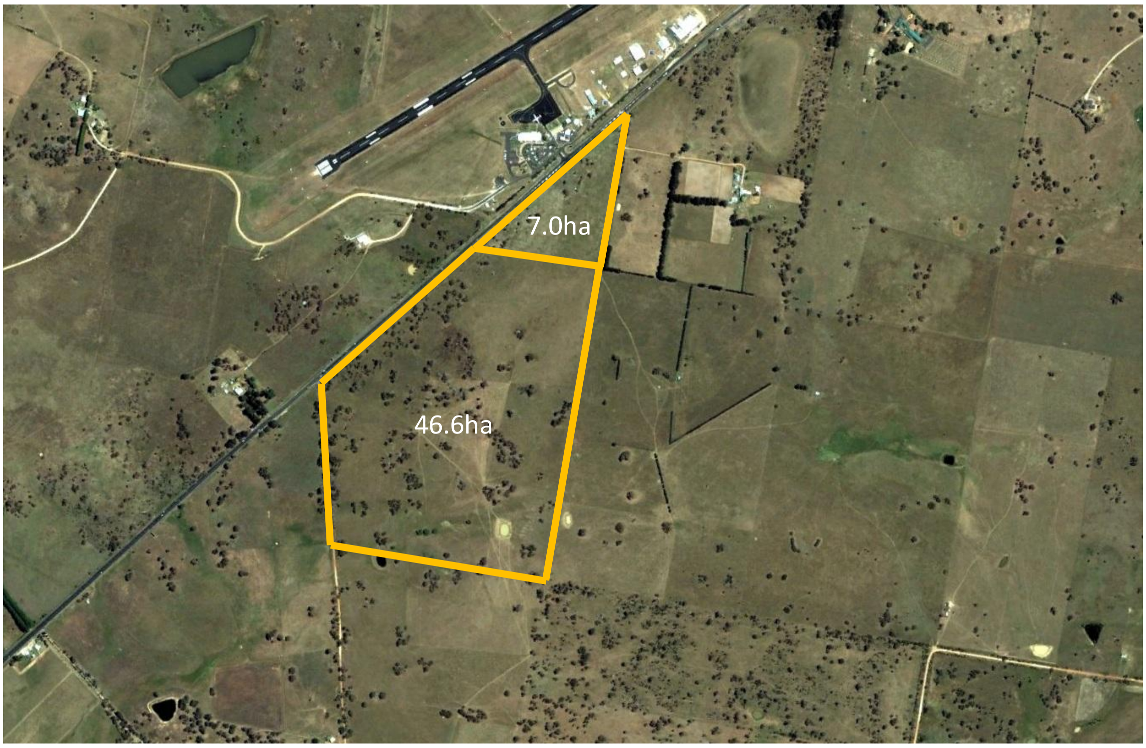
The location along the New England Highway provides excellent access to the major transport route which will be attractive to transport and logistics companies. The visibility from the Highway and high passing traffic volume makes the site suitable for light industrial operations requiring showroom space for their products. However, approval from RMS is required for access to the site from the New England Highway.

The land is relatively flat and unconstrained making the site very suitable for industrial development.

The site is currently undeveloped and not serviced with infrastructure including water, sewerage, electricity and gas. However, these services are provided at the adjacent airport.

- **Water:** Water pipes extend along Uralla Road and cease at the intersection with the New England Highway where they service the Airport. Pipes would have to be extended along the New England Highway to service the Airport East Site.
- **Sewerage:** Sewerage pipes extend along Uralla Road and cease at the intersection with the Alinnya Lane. Pipes would have to be extended along Uralla Road and the New England Highway to service the Airport East Site.
- **Electricity:** Electricity cables are located along the New England Highway providing access to the Airport East Site.
- **Stormwater:** There is no stormwater infrastructure in the vicinity of the Airport East Site and would need to be incorporated as part of development.

Figure 8.2: Airport East Site



Source: Google Maps

8.2.3 West Armidale Expansion - West

Land to the west of the West Armidale industrial precinct on the opposite side of Mott Street is Crown Land managed by the Livestock Health and Pest Authority, which has been a constraint to its release. The land is primarily used to support the adjacent Armidale Saleyards by allowing cattle grazing with a couple of sheds located in the south-east corner of the site. The gross site has an area of approximately 19.3ha.

A creek runs through the land meaning the majority of the site is flood prone and not suitable for development. Land on the corner of Mott Street and Bundarra Road is raised up above the creek and would represent a logical extension of the existing precinct. It has been estimated that approximately 3.4ha of land could be suitable for industrial development though this would need to be confirmed with the undertaking of more detailed flood mapping (see Appendix B).

The site is zoned Urban Fringe 1(d) with industrial zoned land located directly adjacent to the east and west. Rezoning the land for industrial use would allow for the logical extension of the West Armidale precinct to connect with the Armidale Saleyards creating an integrated precinct.

The location of the site on the western edge of the town provides good access to the New England Highway without having to drive through residential areas. The location on Bundarra Road also provides good visibility to passing traffic, which makes the site suitable for light industrial operations requiring showroom space for their products.

The proximity of the site to the existing West Armidale industrial precinct provides access to existing infrastructure including water, sewerage, electricity and telecommunications.

- **Water:** Water pipes extend along Bundarra Road and Mott Street providing direct access to the site.
- **Sewerage:** Sewerage pipes extend south along Mott Street and cease at the intersection with the Webb Place providing access to the site at the northern tip.
- **Electricity:** Electricity cables are located along Bundarra Road and Mott Street providing direct access to the site.
- **Stormwater:** There are stormwater pipes that enter Martins Gully at the intersection of Mott Street and Webb Place at the northern tip of the site. Stormwater issues would need to be considered as part of development.

Figure 8.3: West Armidale Extension - West

Source: Google Maps

8.2.4 New England Girls School

Land to the south-west of the West Armidale industrial precinct on the opposite side of Bundarra Road is owned by the New England Girls School. The area includes five lots along Bundarra Road and Moore Park Road with a total area of approximately 12.75ha (see Table 8.2). The land is currently zoned Special Uses 5(a) – Education and used by the school for sport and recreation.

Martin's Gully runs north/south through the land resulting in a significant proportion of the site being flood prone and not suitable for development. Land on the eastern and western edges of the site is raised above the creek and would represent potential for the extension of the existing precinct. It has been estimated that approximately 10.1ha of land could be suitable for industrial development though this would need to be confirmed with the undertaking of more detailed flood mapping (see **Appendix B**).

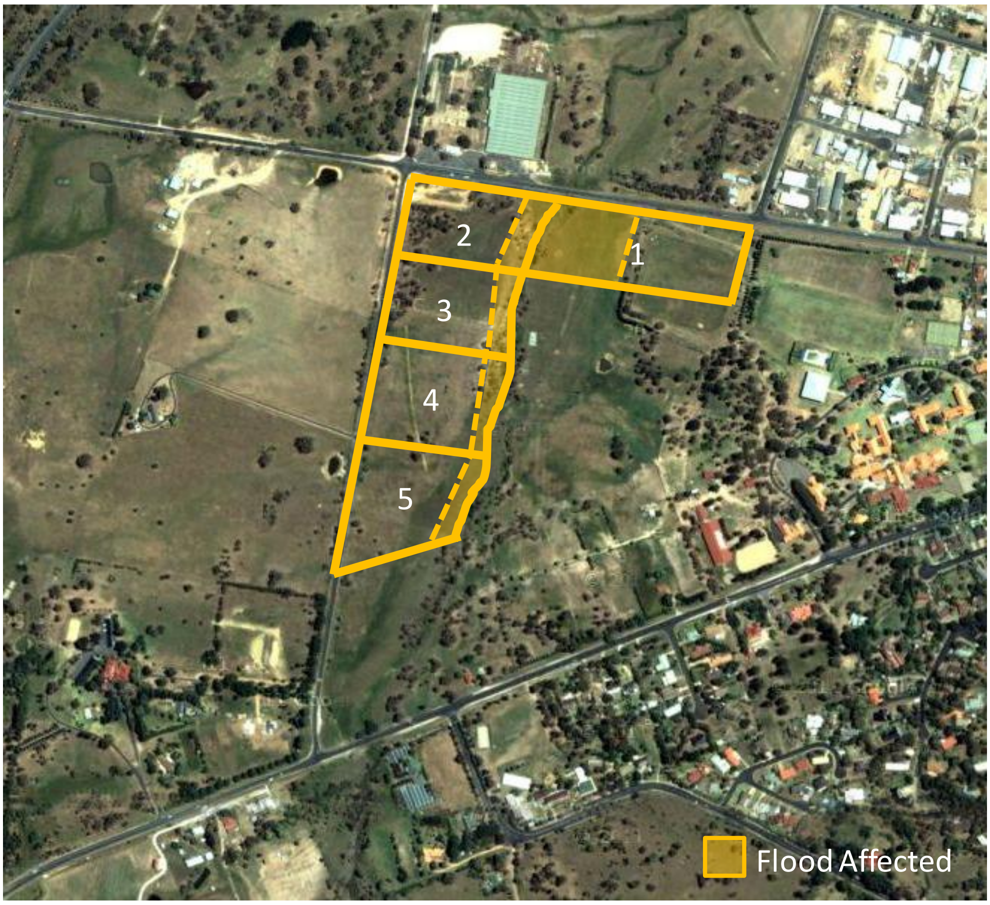
The location of the site on the western edge of the town provides good access to the New England Highway without having to drive through residential areas. The location on Bundarra Road and Moore Park Road also provides good visibility to passing traffic, which makes the site suitable for light industrial operations requiring showroom space for their products.

In 2006, the Armidale Diocesan Council announced that it planned to sell the school due to financial difficulties. The school was bought by NEGS Limited, a company created to acquire and operate the school. There is strong community support for the school indicating that rezoning land for industrial use may receive community opposition. However, rezoning and selling could represent an attractive financial opportunity of the school to maintain their financial viability.

The proximity of the site to the existing West Armidale industrial precinct provides access to existing infrastructure including water, sewerage, electricity and telecommunications.

- **Water:** Water pipes extend along Bundarra Road providing direct access to the site.
- **Sewerage:** A sewerage pipe bisects the site providing access to infrastructure.
- **Electricity:** Electricity cables are located along Bundarra Road providing direct access to the site.
- **Stormwater:** There are no stormwater pipes in close proximity to the site. Stormwater issues would need to be considered as part of development with runoff into Martins Gully.

Figure 8.4: New England Girls School



Source: Google Maps

Table 8.2: New England Girls School Lots

Lot	Lot Area (ha)	Developable Area (ha)
1	3.16	2.00
2	2.23	1.80
3	1.86	1.55
4	2.62	2.30
5	2.88	2.45
Total	**12.75**	**10.10**

Source: AEC*group*

8.2.5 Bundarra Road - West

The site is zoned Urban Fringe 1(d) and comprises a total area of approximately 22.9ha. The site is located on the corner of Bundarra Road and Moore Park Road, diagonally opposite the Armidale Saleyards and approximately 500m west of the West Armidale industrial precinct.

Part of the site along Bundarra Road is currently used as a depot for a local transport company. It is this land along Bundarra Road that has the most potential for industrial land development and represents approximately two thirds (or 15.1ha) of the total lot area. There is a residential subdivision located directly to the south of the site and a motel beyond that. Only developing the northern area for industrial uses would create a buffer and limit potential impacts on surrounding land. Previous attempts to rezone the land for industrial use resulted in objections from local land owners.

The location of the site on the western edge of the town provides good access to the New England Highway without having to pass through residential areas. This is particularly advantageous for transport companies and operations requiring access for large trucks as it reduces travel time and avoids congestion with passenger vehicles. The location on Bundarra Road also provides good visibility to passing traffic, which makes the site suitable for light industrial operations requiring showroom space for their products.

The site has an approved subdivision for three large rural residential lots. If these sites are developed for residential, it could compromise the potential for developing for industrial uses. However, the size of the lots and its location indicates that the highest and best use for the land would be industrial.

Rezoning the land for industrial use would allow for the logical extension of the West Armidale precinct to the west. The land is also relatively flat and unconstrained making the site suitable for industrial development. The site is in relatively close proximity to the existing West Armidale industrial precinct providing access to existing infrastructure including water, sewerage, electricity and telecommunications.

- **Water:** Water pipes extend along Bundarra Road to the intersection with Moore Park Road at the north-east tip of the site providing direct access to the site.
- **Sewerage:** A sewerage pipe is located to the west of the meaning sewerage infrastructure may have to be extended to the site.
- **Electricity:** Electricity cables are located along Bundarra Road providing direct access to the site.
- **Stormwater:** There are no stormwater pipes in close proximity to the site. Stormwater issues would need to be considered as part of development.

Figure 8.5: Bundarra Road West

Source: Google Maps

8.2.6 Miller Street West

The 2.5ha area is comprised of 7 lots located to the south-west of the intersection of Miller Street and Bundarra Road. The majority of the lots are zoned Residential (2a) while the western most lot is zoned Special Uses 5(a) – Education. The lots include a mix of uses including residential and open space (see **Table 8.2** and **Figure 8.7**).

Table 8.3: Miller Street West Lots

Lot	Area (sqm)	Land Use	Zoning
1	8,339sqm	School open space	Special Uses 5(a) – Education
2	7,928sqm	School open space	Residential (2a)
3	855sqm	Residential	Residential (2a)
4	1,012sqm	Residential	Residential (2a)
5	3,332sqm	Vacant	Residential (2a)
6	1,599sqm	Residential	Residential (2a)
7	2,492sqm	Residential	Residential (2a)

Source: AEC*group*

The location at the intersection of Miller Street and Bundarra Road/Mossman Street provides good visibility to passing traffic, which makes the site suitable for light industrial operations requiring showroom space for their products and bulky goods. The location of the site on the western edge of the town provides good access to the New England Highway without having to drive through major residential areas. The site has a gradient of 3-5% which may increase development costs though should not be a major constraint to development.

The majority of lots within the two blocks are used for single storey residential dwellings with other uses including open space. The existing residential development on the sites is a constraint for rezoning with residents unlikely to support a rezoning. The area includes seven lots with fragmented ownership, which would make it difficult to get all owners supporting industrial development.

The area is bordered by residential to the north-west, the New England Girls School to the west and a motel to the east. The negative externalities of industrial operations such as noise, dust and heavy truck movements mean that these uses are not suited to being located adjacent to industrial land.

The existing residential and industrial market indicates the residential properties are currently more valuable as residential compared to what they may be worth as industrial land. As such, the sites would be more of a long term option for industrial development when changing market conditions could make the lots more valuable as industrial land compared to residential.

The site is in close proximity to the existing West Armidale industrial precinct providing access to existing infrastructure including water, sewerage, electricity and telecommunications.

- **Water:** Water pipes extend along Miller Street, Bundarra Road and St Johns Avenue providing direct access to the site.
- **Sewerage:** A sewerage pipe runs north-south through the site providing access to the site.
- **Electricity:** Electricity cables are located Miller Street, Bundarra Road and St Johns Avenue providing direct access to the site.
- **Stormwater:** A stormwater pipe is located towards the intersection of Uralla Road and Miler Street at the southern end of the area. Stormwater issues would need to be considered as part of development.

Figure 8.6: Miller Street West

Source: Google Maps

8.2.7 Rotary Park

Rotary Park is located diagonally opposite the West Armidale industrial precinct and is surrounded by Miller Street to the west, Mossman Street to the north and Barry Street to the south-east. The site is a public park zoned Open Space 6(a) and comprises a total area of 9,071sqm. The park is understood to have been developed by local service club members.

The park is Lot 63 in DP 1174417 and is currently classified as 'community' land. In order for the land to be sold or leased, it needs to be reclassified to 'operational' land through a Council resolution under the Local Government Act 1993 or through an amendment to the LEP.

The location at the intersection of Miller Street and Bundarra Road/Mossman Street provides good visibility to passing traffic, which makes the site suitable for light industrial operations requiring showroom space for their products.

The park is surrounded by residential houses to the north and west and school land to the east. These land uses are generally not suited to being located next to industrial operations and low impact operations such as bulky goods retailing would be more appropriate. Rezoning the park to industrial would result in the residential block to the north being surrounded by industrial uses which is not an ideal outcome.

The triangular shape of the site is not ideal for industrial/bulky goods development though the provision of parking on the corners of the site could be used to maximise the site yield. The size of the site would make it suitable for a medium-large bulky goods operation or several smaller operations. The site has a gradient of 3-5% which may increase development costs though should not be a major constraint to development.

Rezoning public parkland for commercial development is likely to result in significant community opposition which would inhibit the rezoning process. In addition, the Rotary Club of Armidale has an association with the park and would need to be closely consulted about its future.

The site is in relatively close proximity to the existing West Armidale industrial precinct providing access to existing infrastructure including water, sewerage, electricity and telecommunications.

- **Water:** Water pipes extend along Mossman, Barry and Miller streets providing direct access to the site.
- **Sewerage:** A sewerage pipe is located at the intersection of Miller and Mossman streets providing direct access to the site.
- **Electricity:** Electricity cables are located along Miller and Barry streets providing direct access to the site.
- **Stormwater:** A stormwater pipe is located along Miller Street and the corner of Mossman and Barry streets. Stormwater issues would need to be considered as part of development.

Figure 8.7: Rotary Park

Source: Google Maps

8.2.8 Armidale High School - West

The site is located at the intersection of Kentucky, Miller and Barry streets and is part of the Armidale High School. The 3.1ha site is zoned Special Uses 5(a) – Education and is primarily used for teaching agricultural subjects.

The location of the site on the western edge of the town provides good access to the New England Highway without having to drive through residential areas. The location at the intersection of Kentucky and Miller streets also provides good visibility to passing traffic, which makes the site suitable for light industrial operations requiring showroom space for their products.

The site is not used intensively and as such it could represent an attractive financial opportunity to the Department of Education. However, the land is still used by the school and there is likely to be community opposition to selling public school land for commercial gain.

The site is surrounded by residential houses to the north, parkland to the west and school land to the east. The negative externalities of industrial operations such as noise, dust and heavy truck movements mean that these uses are not suited to be located adjacent to industrial land. As such, development would likely need to be limited to low impact operations such as bulky goods retailing. There may also be some issues relating to access to the site and signage.

The site is relatively flat along Barry Street with a gradient of 2-3% which would be attractive for development. The gradient of the site increases to 5-7% towards the south-east corner of the site where there is currently a small dam. This may be a constraint to viable development, which could restrict the developable area of the site.

The site is located in a relatively well developed area providing good access to existing infrastructure including water, sewerage, electricity and telecommunications.

- **Water:** Water pipes extend along Mossman and Barry streets providing direct access to the site.
- **Sewerage:** A sewerage pipe is located along Mossman Street providing direct access to the site.
- **Electricity:** Electricity cables are located along Barry Street providing direct access to the site.

- **Stormwater:** A stormwater pipe is located at the corner of Mossman and Barry streets with an existing stormwater channel towards the western edge of the site. Stormwater issues would need to be considered as part of development.

Figure 8.8: Armidale High School West

Source: Google Maps

8.2.9 Armidale High School - North

The site is located at the intersection of Mann and Stephen Streets and is part of the Armidale High School. The 4.3ha site is zoned Special Uses 5(a) – Education and is primarily used for recreation and open space.

The location of the site on the western edge of the town provides good access to the New England Highway without having to drive through residential areas. The location along Mann Street also provides good visibility to passing traffic, which makes the site suitable for light industrial operations requiring showroom space for their products. The site has a gradient of 3-4% along Mann Street which may increase development costs though should not be a major constraint to development.

The southern end of the site is directly adjacent to the school buildings and would not be suitable for industrial development. However, the northern end of the site is more removed from the school buildings and not used as intensively. As such, subdividing and selling the northern part of the lot (estimated at approximately 1.1ha) could represent an attractive financial opportunity to the Department of Education. However, the land is still used by the school and there may be some community opposition to selling public school land for commercial gain.

There is a dam located towards the north western corner of the site and consultation indicates the surrounding area is often waterlogged. As such, it has been conservatively assumed that some land towards the north western edge would not be developable.

The northern side of Mann Street is part of the West Armidale industrial precinct and is heavily developed with light industrial, bulky goods and showrooms. While industrial development on the southern side would seem a logical extension of the precinct, adjacent land uses to the east, west and south include residential dwellings and the school which are not suited to be located adjacent to industrial land. As such, development would likely need to be limited to low impact operations such as light industrial services and bulky goods retailing.

The site is in close proximity to the existing West Armidale industrial precinct providing access to existing infrastructure including water, sewerage, electricity and telecommunications.

- **Water:** Water pipes extend along Mann Street providing direct access to the site.
- **Sewerage:** A sewerage pipe is located along Mann Street providing direct access to the site.
- **Electricity:** Electricity cables are located along Mann Street providing direct access to the site.
- **Stormwater:** There is a stormwater pipe located to the west of the site. Stormwater issues would need to be considered as part of development.

Figure 8.9: Armidale High School North

Source: Google Maps

8.3 Summary

The following table summarises the key advantages and disadvantages associated with rezoning of the various sites described above for industrial and bulky goods purposes:

Table 8.4: Summary of Potential Industrial Sites

Site	Size (ha)	Useable* (ha)	Advantages	Constraints
Airport Site	66.5ha	35.3ha	• Currently zoned as industrial land. • Direct access to the New England Highway. • High passing traffic and visibility. • Adjacent to Armidale Airport.	• Slope of land becomes steep in some areas. • Land currently not serviced by infrastructure. • New England Highway and airport is a gateway to Armidale with a need to maintain visual amenity. • Need to negotiate highway access with RTA.

Site	Size (ha)	Useable* (ha)	Advantages	Constraints
Airport Site East	53.6ha	53.6ha	• Relatively flat land. • Direct access to the New England Highway. • High passing traffic and visibility. • Adjacent to Armidale Airport.	• Land currently not serviced by infrastructure. • New England Highway and airport is a gateway to Armidale with a need to maintain visual amenity. • Need to negotiate highway access with RTA.
West Armidale Expansion - West	19.3ha	3.4ha	• Adjacent to the existing West Armidale precinct. • High passing traffic and visibility. • Good access to existing services and infrastructure. • Relatively flat land for development.	• Flooding issues that would need to be investigated. • Land owned by LHPA whom appear unwilling to sell or develop the land.
New England Girls School	12.8ha	10.1ha	• Close proximity to the existing West Armidale precinct. • Good access to the New England Highway. • High passing traffic and visibility. • Good access to existing services and infrastructure.	• Flooding issues that would need to be investigated. • Land owned by NEGS Limited which may be unwilling to allow industrial use. • Likely to result in community objections to rezoning.
Bundarra Road - West	22.9ha	15.1ha	• Close proximity to the existing West Armidale precinct. • High passing traffic and visibility. • Good access to the New England Highway. • Relatively flat land for development.	• Slightly removed from the existing industrial precinct. • Infrastructure costs would need to be investigated.
Miller Street West	2.5ha	2.5ha	• Adjacent to the existing West Armidale precinct. • High passing traffic and visibility. • Good access to existing services and infrastructure.	• Land developed and occupied by residents. • Likely to result in community and resident objections. • Value of land as industrial below existing use value. • Proximity to residential areas, motel and school • Fragmented ownership.
Rotary Park	0.9ha	0.9ha	• Adjacent to the existing West Armidale precinct. • High passing traffic and visibility. • Good access to existing services and infrastructure.	• Likely to result in community and resident objections to rezoning. • Undesirable shape of land for development. • Proximity to residential areas and school.
Armidale High School - West	3.1ha	2.8ha	• Close proximity to the existing West Armidale precinct. • High passing traffic and visibility. • Good access to existing services and infrastructure.	• Likely to result in community and resident objections to rezoning. • Proximity to residential areas and school.
Armidale High School - North	4.3ha	1.1ha	• Adjacent to the existing West Armidale precinct. • High passing traffic and visibility. • Good access to existing services and infrastructure.	• Likely to result in community and resident objections. • Proximity to residential areas and school. • Would require subdivision.
Total	**185.9ha**	**124.8ha**		

Note: * Preliminary estimate based on previous flood studies and topographical maps.
Source: AEC*group*

9. Recommendations

9.1 Rezonings for Consideration

The *Final Draft Armidale Industrial Land Study* recommended that the following rezonings should be considered to provide additional industrial land in Armidale over the next 25 years to meet projected demand (see **Table 9.1**). These recommendations included:

- The rezoning of land adjacent to the existing West Armidale Precinct to extend the industrial precinct and address supply constraints in the West Armidale precinct for industrial and bulky good uses.
- The rezoning of land in proximity to the Armidale Airport to allow for industrial development and potentially a bulky goods precinct.

Table 9.1: Recommended Future Industrial Land for Consideration

Site	Size (ha)	Useable* (ha)	Zoning
Airport Site	66.5ha	35.3ha	IN2 and B5
Airport Site East	53.6ha	53.6ha	IN2
West Armidale Expansion - West	19.3ha	3.4ha	IN1
New England Girls School	12.8ha	10.1ha	B5
Bundarra Road West	22.9ha	15.1ha	IN1
Armidale High School - North	4.3ha	1.1ha	B5
Rotary Park/Armidale High School - North	4.3ha	4.0ha	B5
Total	**183.7ha**	**122.6ha**	

Note: * Preliminary estimate based on previous flood studies and topographical maps.
Source: AEC*group*

9.2 Public Exhibition

Following consideration of a report from the Manager Economic Development, Tourism and Marketing on 23 July 2012, Council resolved:

> "(a) That the [Final Draft] Armidale Industrial Land Study be placed on exhibition calling for public submissions and input from relevant Government Agencies (including the Department of Planning and Infrastructure), closing on 30 August 2012.
>
> (b) That a report be prepared on any submissions received and the matter be brought back to the new Council for consideration."

The Final Draft AEC Study was subsequently placed on public exhibition for 28 days from 3 - 30 August 2012 and comments sought from interested parties and from relevant government agencies.

44 submissions were received in relation to the *Final Draft Armidale Industrial Land Study* including landowners, government agencies and the community.

9.3 Final Recommendations

Based on the input received during the public exhibition process and input from Council on recent developments, the recommendations outlined in the *Final Draft Armidale Industrial Land Study* were amended. The final AEC*group* recommendations for industrial and bulky goods land in Armidale are outlined below.

<u>Industrial Land Release</u>

There is a need for additional industrial land to be released in Armidale over the next 25 years to meet projected demand. It is important that there is sufficient land released to provide choice to companies in relation to location and site characteristics. It is recommended that the release of industrial land supply lead demand by approximately 15 years in order to provide choice and sufficient land to be able to react quickly to spikes in demand. Based on the projected demand modelling, there is expected to be demand for between an additional 45-80ha over the next 25 years, equating to 1.8-3.2ha per year. As such it is recommended that supply lead demand by between 18-32ha.

Consultation and demand projections indicate there is a current undersupply of industrial land of approximately 5ha. While there is significant vacant land (especially in Acacia Park), it does to meet some of the key site requirements of prospective businesses. It is recommended that between 23-37ha of industrial land be released as soon as possible to address the existing undersupply and provide sufficient land to meet demand over the short term.

Based on the assessment of the industrial market, industrial land is required for the following industry sectors.

- **Manufacturing:** There is demand for industrial land for manufacturing companies across a range of products. Niche opportunities to grow the manufacturing sector include in animal health and agricultural products. Industrial land requirements for these businesses vary on the size of the business with lot sizes ranging from small to large. Businesses often require heavy vehicle access with lower traffic volumes preferred to avoid congestion.
- **Transport, warehousing and logistics:** The transport and logistics sector has strong growth potential supported by Armidale's strategic located between Sydney and Brisbane with good access to road infrastructure such as the New England Highway. Potential opportunities could include distribution centres for large retailers, road freight depots, warehouses and distribution operations. These businesses generally require larger lots to facilitate truck movements and direct access to the highway to reduce travel times.
- **Building Supplies and Products:** There is potential for growth in businesses supporting the building sector such as companies constructing floors, doors, kitchens, sheds, fences and supplying materials. These businesses generally require medium sized lots so that they have sufficient space to showcase their products. In order to showcase their product, businesses need high visibility and passing traffic to build awareness.

<u>Acacia Park</u>

It is recommended that the focus of the Acacia Park precinct remain on manufacturing operations and wholesale/distribution companies that do not require direct b-double or highway access or passing traffic. Acacia Park has significant parcels of vacant land and the precinct should be marketed to attract business investment.

Armidale Dumaresq Council purchased a 10ha parcel of land towards the north east corner of the precinct and subsequently sold 4ha to a private company. Council should consider using the remaining land holding to attract business investment.

Following the completion of the *Final Draft Armidale Industrial Land Study*, the potential expansion of Acacia Park to the north has been identified during discussions between Council and Crown agencies. It is recommended that Council investigate the potential expansion and continue to liaise with the relevant Crown agencies.

<u>West Armidale</u>

West Armidale should be consolidated as the primary light industrial and bulky goods precinct in Armidale. The area remains a desirable location for businesses reflected by the low vacancy rates and high land prices. It is recommended that the West Armidale Precinct be expanded to allow for new industrial development to occur. The precinct is well serviced by infrastructure including transport access, water, electricity and sewerage which indicates that future development would require less infrastructure investment compared with new precincts.

The West Armidale precinct comprises the majority of bulky goods businesses and is a desirable location for prospective businesses. The majority of bulky goods operations are located along Miller Street and Mann Street. Under the current standard instrument arrangements advised by the Department of Planning and Infrastructure, bulky goods operations have been prohibited in industrial zones. However, Executive Director, Planning Operations of the NSW Department of Planning and Infrastructure advised Council in May 2012 that a more flexible approach may be possible in future. As such, it is recommended that the existing West Armidale Precinct be rezoned IN2 Light Industrial with a request made to the NSW Department of Planning and Infrastructure to allow provision for bulky goods retailing with consent. This would allow for the future consolidation of bulky goods operations in the precinct.

Bulky Goods

There is projected to be strong demand for bulky goods floorspace in Armidale which will require land for development. It is important that some bulky goods and large format retailing be promoted within the CBD to maintain the primacy of the centre.

The West Armidale precinct comprises the majority of bulky goods businesses in Armidale with most operations located along Miller Street and Mann Street. As previously outlined, under the current standard instrument, bulky goods operations are prohibited in industrial zones. As such, it is recommended that a request be made to the NSW Department of Planning and Infrastructure to allow provision for bulky goods retailing with consent.

Discussions between Council and representatives of the Department of Planning and Infrastructure indicate that bulky goods may not be supported around the Armidale Airport. However, there are numerous examples of successful bulky goods developments around Australia adjacent to airports. Frontage to the New England Highway would provide the necessary passing traffic and visibility required for bulky goods developments and allow operations to service the regional catchment. It is recommended that part of the site (approximately 3-5ha with frontage to the New England Highway) be considered for rezoning to B5 Business Development should there be insufficient land elsewhere in West Armidale.

Armidale West Expansion – West

The site is ideally suited for industrial development due to being adjacent to the existing West Armidale precinct, high passing traffic and having good access to existing services and infrastructure. The advantages of the site make it attractive for development in the short term to address supply constraints in the West Armidale precinct.

It is recommended that the site be rezoned IN2 Light Industrial under the new Standard Instrument to extend the West Armidale industrial precinct. Flood constraints indicate that only the land on the corner of Bundarra Road and Mott Street would be suitable for industrial development.

Airport Site

There is strong demand for industrial land in Armidale and the Airport Site boasts key characteristics such as direct access to the New England Highway and visibility to passing traffic that are key characteristics for prospective industrial businesses. It is recommended that Council consider development options for the site outlined in the *Armidale Airport Industrial Land Advice Report*.

It is recommended that the potential land release have a mix of lots including:

- Small to medium lots (1,000-5,000) with frontage to the New England Highway for businesses requiring visibility from passing traffic.
- Small to medium lots (1,000-5,000) located back from the New England Highway for businesses not requiring visibility.
- Larger lots (8,000-15,000sqm) for transport companies requiring more space to accommodate operations.

It is recommended that the bulk of the site remain zoned for industrial purposes (IN2 Light Industrial under Council’s new Standard Instrument LEP) to facilitate light industrial, wholesale and transport businesses. It is suggested that State Planning and Roads agencies be approached regarding that part of the site (approximately 3-5ha) with frontage to the New England Highway, which could be rezoned B5 Business Development under the new Standard Instrument to support bulky goods development. Such land should have frontage to the New England Highway.

It is recommended that a staged approach to the land release and development be investigated. Preliminary investigations indicate that the land directly adjacent to the airport would likely be the most cost-effective to develop as it is relatively flat and closer to existing infrastructure.

There is an opportunity to share infrastructure costs with the owner/developer of the potential development at the airport and on the opposite side of New England Highway. Such a partnership would reduce the costs of both developments and improve the viability of the projects. It is recommended that infrastructure provision be promoted in the short term so that the land is ready for development in the medium term with a staged release.

Airport East Site

It is recommended that the site be rezoned IN2 Light Industrial under the new Standard Instrument to create an industrial precinct around the airport. Key site characteristics making it an attractive location for industrial development include frontage to the New England Highway, high passing traffic, proximity to the airport and relatively flat grade. It is recommended that infrastructure provision be promoted in the short term so that the land is ready for development in the medium to long term.

There is an opportunity for Council to share infrastructure costs with the owner/developer of the potential development. Such a partnership would reduce the costs of both developments and improve the viability of the projects.

Summary

Including the existing Airport Site, the recommended rezoning of sites will create approximately 92.3 of developable land for industrial and bulky goods. This supply is sufficient to meet the projected demand for up to 90ha over the next 25 years.

Table 9.2: Recommended Future Industrial Land

Site	Size (ha)	Useable[1] (ha)	Zoning
Airport Site	66.5ha	35.3ha	IN2[2]
Airport East Site	53.6ha	53.6ha	IN2[2]
West Armidale Expansion - West	19.3ha	3.4ha	IN2[3]
Existing West Armidale Precinct	Existing	Existing	IN2[3]
Acacia Park North Extension	TBD	TBD	IN1
Total	**139.4ha**	**92.3ha**	

[1] Preliminary estimate based on previous flood studies and topographical maps.
[2] With consideration of bulky goods retailing towards Highway frontages, subject to DP&I consideration.
[3] Recommended that request made to DP&I to allow provision for bulky goods retailing with consent.
Source: AEC*group*

Timing

The shortage of industrial land in Armidale is constraining economic growth and new land is required to facilitate investment by new and existing businesses. The rezoning of land can take considerable time and it is recommended that the process is initiated in the near future in order to address the supply shortages as soon as possible.

At the time of publication of this report, Armidale Dumaresq Council had concluded an exhibition process and submitted its draft Standard Instrument LEP (2012) to the Minister for Planning and Infrastructure. Council has expressed that it is too late to include any recommendations of this report into the draft Standard Instrument LEP without delaying that process significantly. In order to expedite potential rezonings recommended in this report, it is proposed that a separate LEP amendment process be initiated for these new zonings and also to include future zoning of the industrial land in the existing West Armidale precinct.

That amendment should also include zoning of the existing West Armidale Industrial precinct under the Standard Instrument LEP as IN2 Light Industrial, with the proviso that bulky goods retailing remain permissible in this zone as per the Council's current (2008) LEP.

9.4 Recommendations Amended to reflect NSW Department of Planning and Infrastructure Approval

Council adopted this report, as amended following consideration of public submissions as discussed above under parts 9.2-9.3, on 26 November 2012. The document was then submitted to the NSW Department of Planning and Infrastructure (DP&I), with a request that the Department's Director-General endorse the Study as a strategy for the zoning of new employment areas, for the purposes of the Environmental Planning and Assessment Act 1979 (EP&A Act).

Following further dialogue with DP&I in early January and further consultation with NSW Roads and Maritime Services (RMS), a final response from the Deputy Director General of DP&I was received on 19 April 2013. This forms **Appendix C** to this report and is further discussed in a report to Council's Governance and Risk Committee on 6 May 2013 (*ADC ref. INT/2013/01469*). The DP&I has approved the Study's recommendations with the exception of the proposal to allow bulky goods retailing at the Airport and 'Airport East' sites, due to concerns about adverse impacts of such activity on the operation of the New England Highway.

Table 9.3 below now reflects this final 'approved' position:

Table 9.3: Future Industrial Land Proposals, as approved by DP&I April 2013

Site	Size (ha)	Useable[1] (ha)	Zoning
Airport Site	66.5ha	35.3ha	IN2
Airport East Site	53.6ha	53.6ha	IN2
West Armidale Expansion - West	19.3ha	3.4ha	IN2[2]
Existing West Armidale Precinct	Existing	Existing	IN2[2]
Acacia Park North Extension	TBD	TBD	IN1
Total	**139.4ha**	**92.3ha**	

[1] Preliminary estimate based on previous flood studies and topographical maps.
[2] With LEP provisions to allow for bulky goods retailing with consent.
Source: AEC*group*

References

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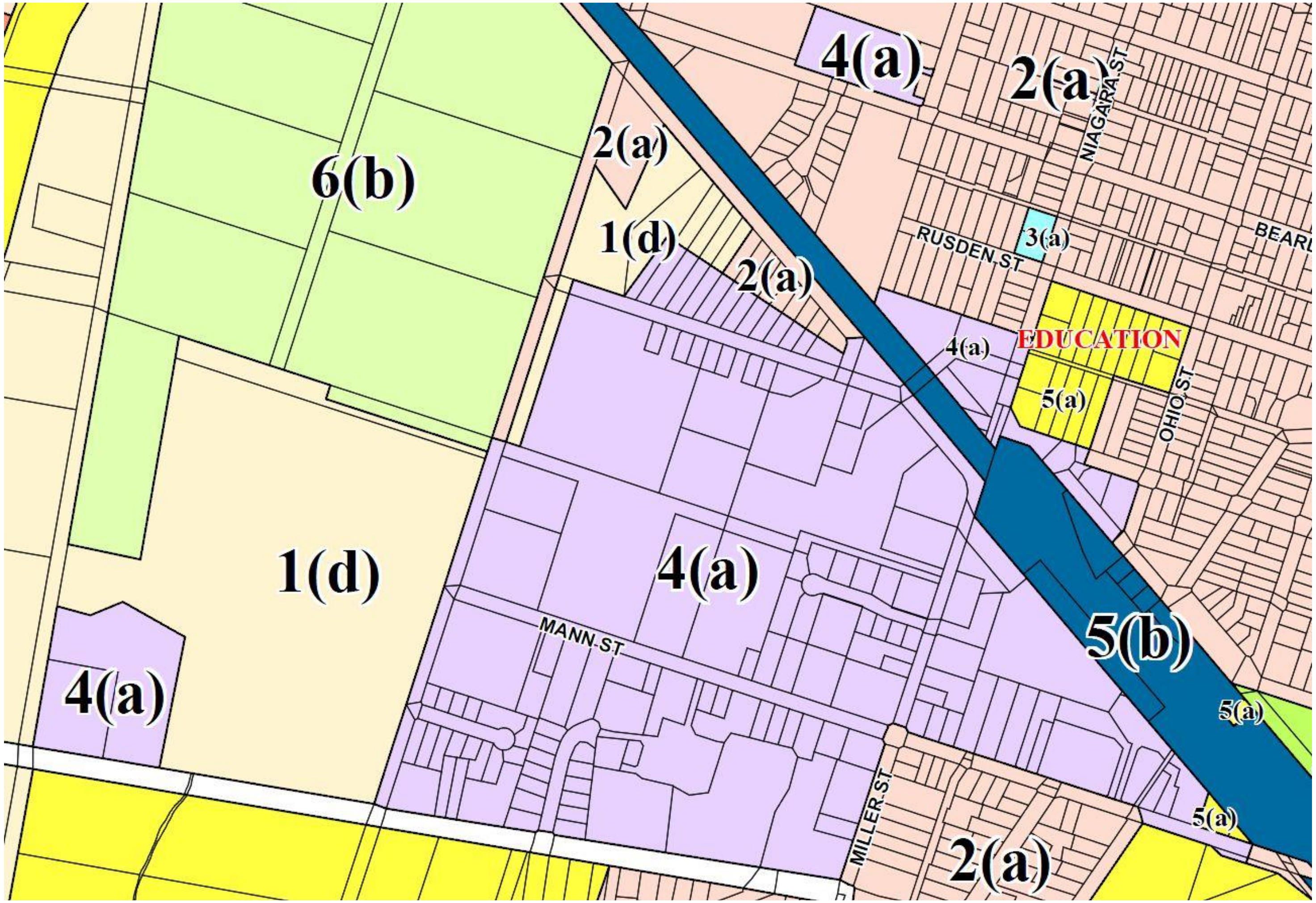
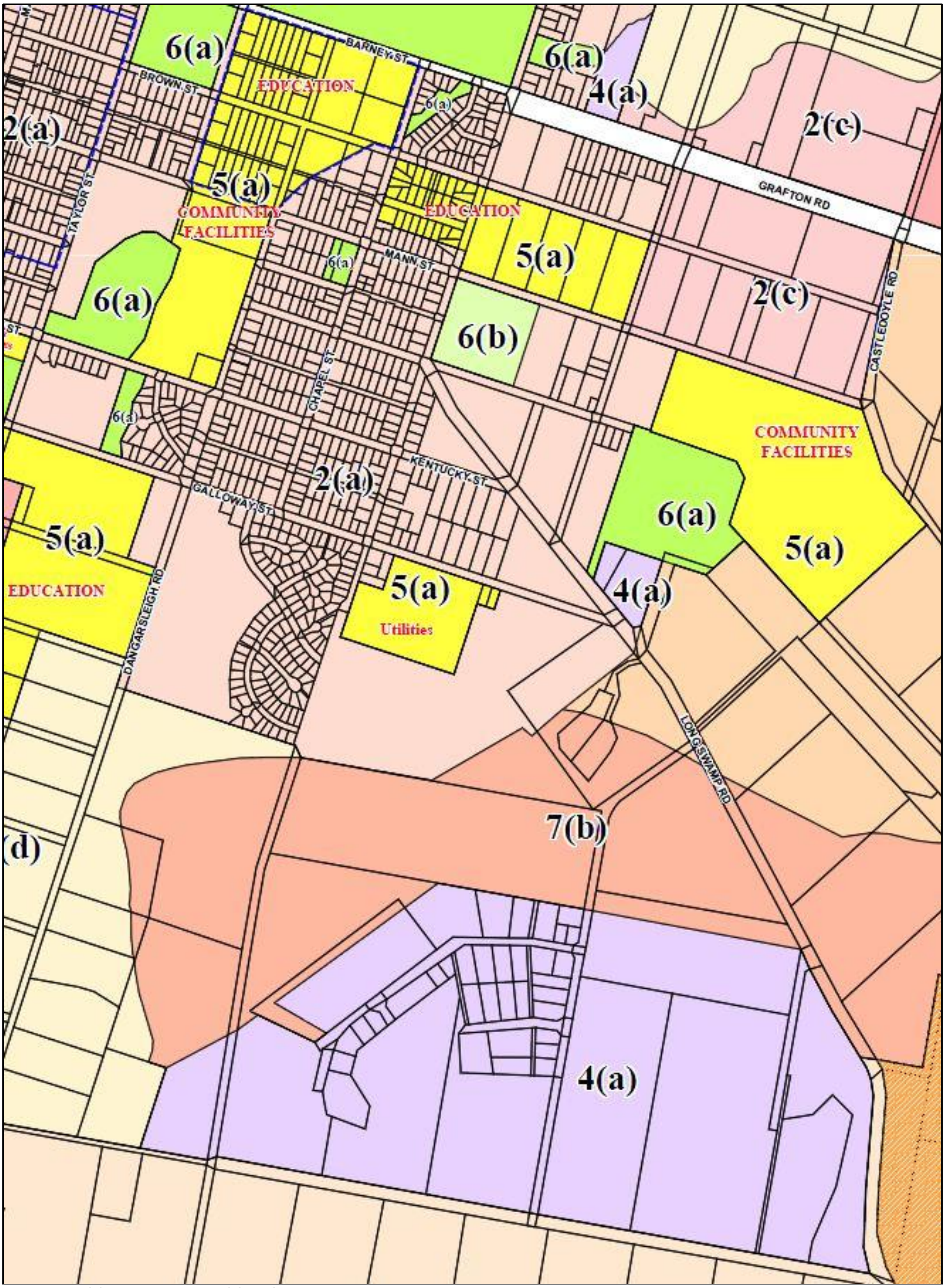
Appendix A: Zoning Maps

Figure A.1: West Armidale



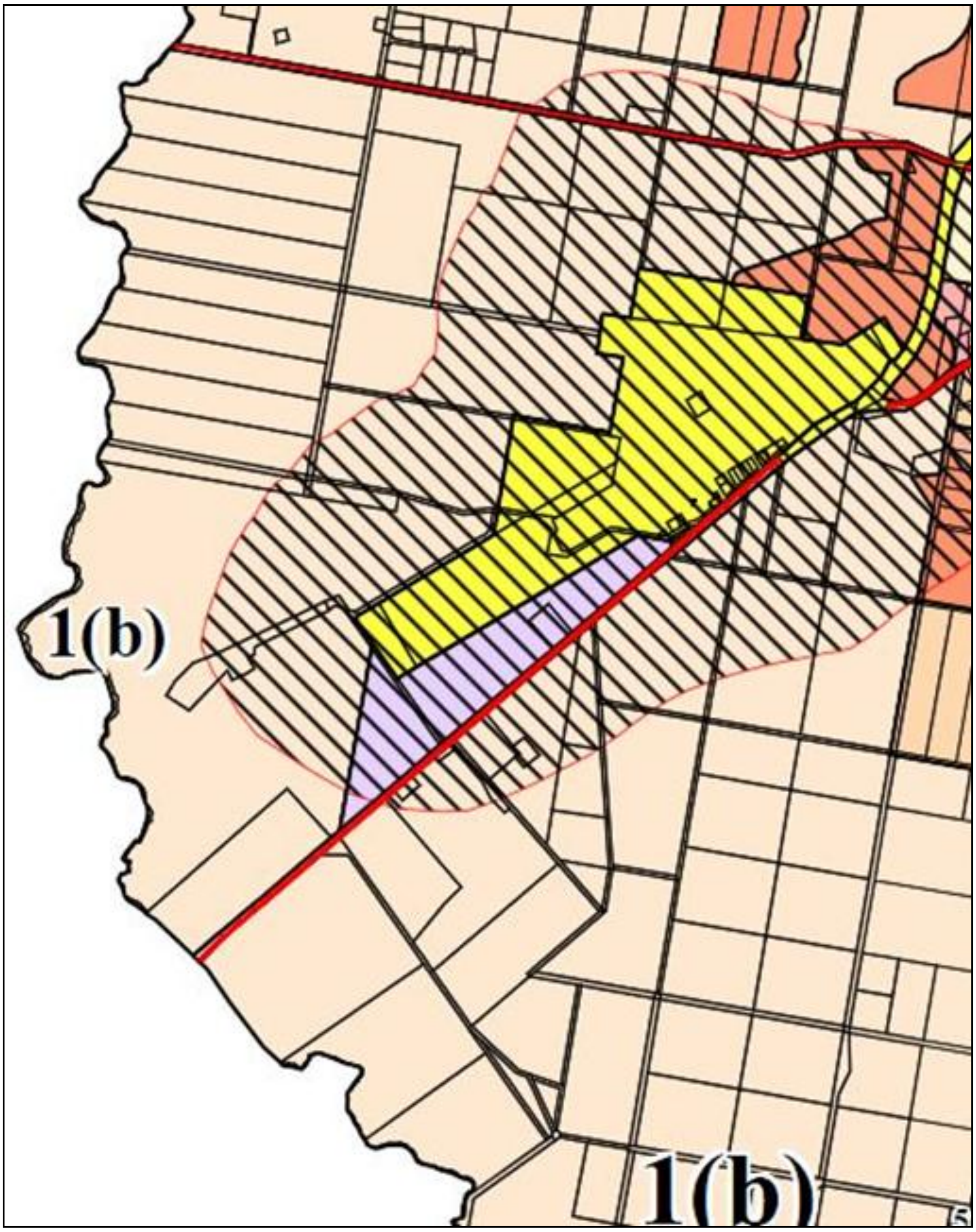
Source: Armidale Dumaresq Council (2008)

Figure A.2: Acacia Park



Source: Armidale Dumaresq Council (2008)

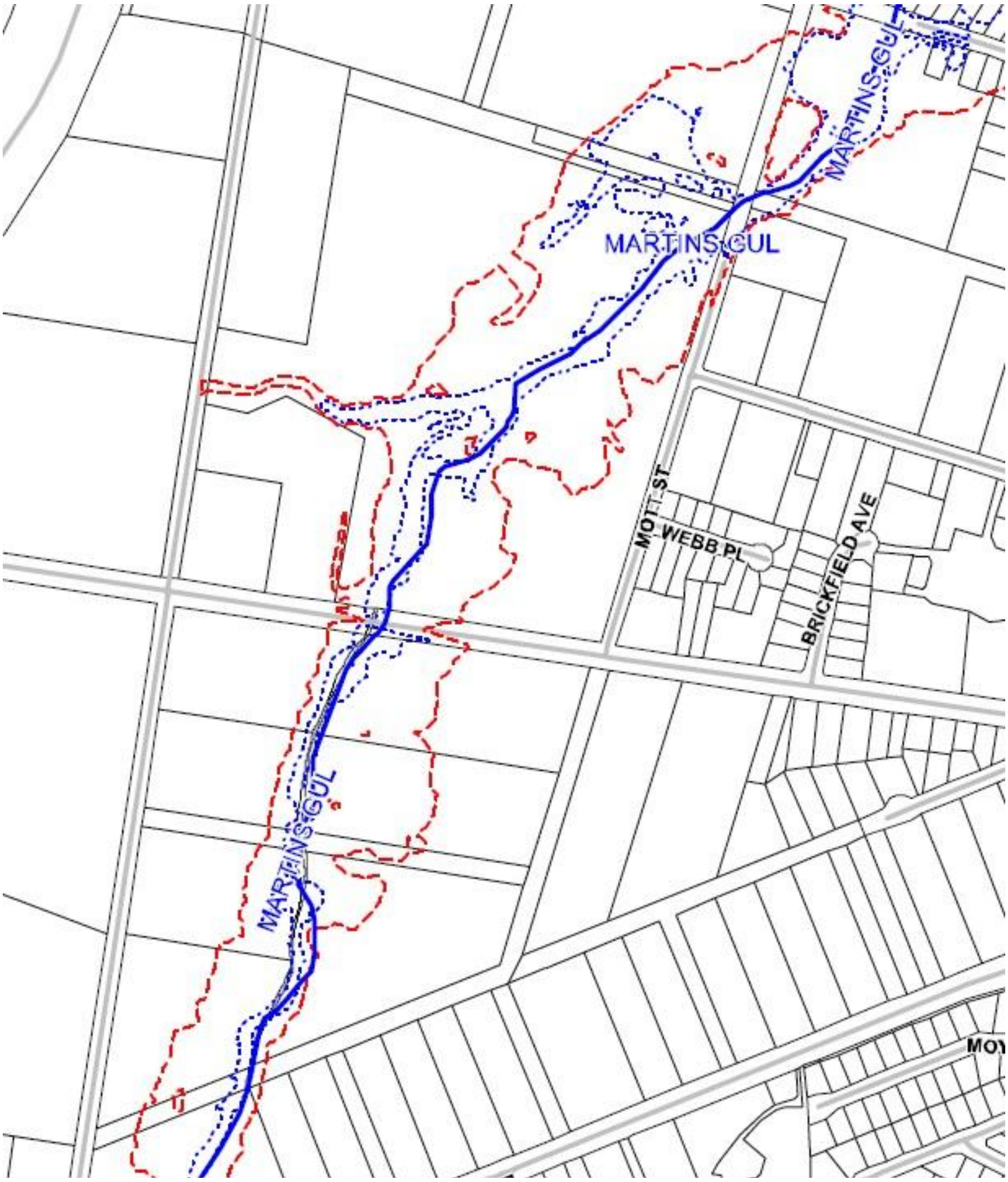
Figure A.3: Airport Site



Source: Armidale Dumaresq Council (2008)

Appendix B: Flooding Map

Figure B.1: Martin's Gully Flood Mapping



Source: Armidale Dumaresq Council (2011)

Appendix C: DP&I Approval Letter

NSW GOVERNMENT | Planning & Infrastructure

Mr Shane Burns
General Manager
Armidale Dumaresq Council
PO Box 75A
Armidale NSW 2350

10/14852

Dear Mr Burns

I refer to Council's letter seeking approval of the Armidale Industrial Lands Study 2012.

Following consideration of the Study, I am pleased to approve the Armidale Industrial Lands Study 2012 subject to the following.

The additional future industrial land at the West Armidale Expansion and Airport East sites, and the allowance of bulky goods retailing within the West Armidale industrial area, as proposed by the Study is approved. The proposed bulky goods retailing at the Airport and Airport East sites is not approved due to the location and the potential adverse impacts that could occur to the operation and efficiency of the New England Highway. I understand that NSW Roads and Maritime Services has advised Council that it does not support bulky goods retailing at these sites. I note the advice in Council's letter dated 8 January 2013 that the owner of the Airport East site is not concerned in pursuing bulky goods retailing on the land.

In reviewing Council's correspondence it is also noted that the NSW Heritage Council, NSW Roads and Maritime Services and the NSW Office of Environment and Heritage have all raised issues that require resolution as part of any Planning Proposal for the rezoning of the land at the Airport East site to industrial. Any future Planning Proposal to rezone the Airport East site will need to address these issues.

Completion and approval of the Study will now enable Council to prepare a Planning Proposal that resolves the future planning provisions for the West Armidale industrial area. This will also allow the amendment of Armidale Dumaresq LEP 2012 to create a single LEP for the entire LGA. I look forward to Council progressing and finalising the upcoming Planning Proposal as soon as possible.

Should you have any further enquiries about this matter, I have arranged for Mr Craig Diss – Team Leader, Northern Region, to assist you. Mr Diss may be contacted at the Department's Tamworth Office on telephone number (02) 6701 9685.

Yours sincerely

18/4/13

Richard Pearson
Deputy Director General
Planning Operations and Regional Delivery

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