11. SPRING HILL

11.1. Location

The Spring Hill Zone R5 Large Lot Residential (LLR) area is located adjacent to (west & south of) the village of Spring Hill (in the Orange LGA) to the south-east of the City of Orange. It is ~10.5km to the Northern Distributor Road & ~13km the edge of the urban area via Beasley Rd/ Mitchell Highway or via Huntley Road to South Orange. Key road frontages include: Forest Rd (northern edge); Spring Hill Rd / Carcoar St (north-south connector); Strachan Rd/Chapman St (east-west connector); & Davis Rd (western edge).

11.2. Existing Zone R5 Large Lot Residential

11.2.1. Key Facts

2020	Zone R5 Large Lot Residential (LLR) Area
Area	109ha (excluding roads)
Lots	35 (31 registered/4 more approved)/ average 3.1ha/lot
Dwellings	~25 + 1 church = 26 (74.3%)
2016 Pop.	Census districts not aligned to Zone R5 LLR boundaries
Est. 2019 Pop.	~72 = 25 dwellings * 2.86 occupancy (but ~358 with village)
Growth Rate	~20 in 2010-2019 (10 years) = Average ~2 dwelling/year
Dev. Potential	Vacant lots (as at Sept 2019) = 5 + 4 approved = 9 (~25.7%) Subdivision potential = 10-11 lots @ 70% probability = 7 lots
Supply/ Demand	~5-10 years @ historic growth rate

11.2.2. History & Lot Size

Spring Hill large lot residential (LLR) area (~109ha excl. roads) was created when CLEP1991 Amendment No.20 (2008) rezoned the property 'Studleigh' from rural to Zone 1(c) Rural Small Holdings (as per Basha (2003) *Local Environmental Study*).

It was originally a dairy & rezoning was partly in response to land use conflicts with Spring Hill village. CLEP1991 Clause 16(1C) limited subdivision to a maximum of 22 lots & a Minimum Lot Size (MLS) of 2ha to protect the water catchment.

A 22-lot subdivision was approved as DA2008/153 (2008) & modified in 2011. Stage 1 (10 lots) was registered in 2009 (lot sizes 2ha-9.7ha) & Stage 2 (11 lots) was released around 2012 – a total of 21 lots.

In CLEP2012, the Spring Hill LLR area was included in proposed Zone R5 Large Lot Residential with a Minimum Lot Size of 2ha but was unable to include site-specific controls like the maximum 22 lot requirement.

As a result, since 2013 there has been additional subdivision of lots resulting in a total of 32 registered lots & another 3 approved lots in 2020 - a total of 35 lots averaging 3.1ha/lot.

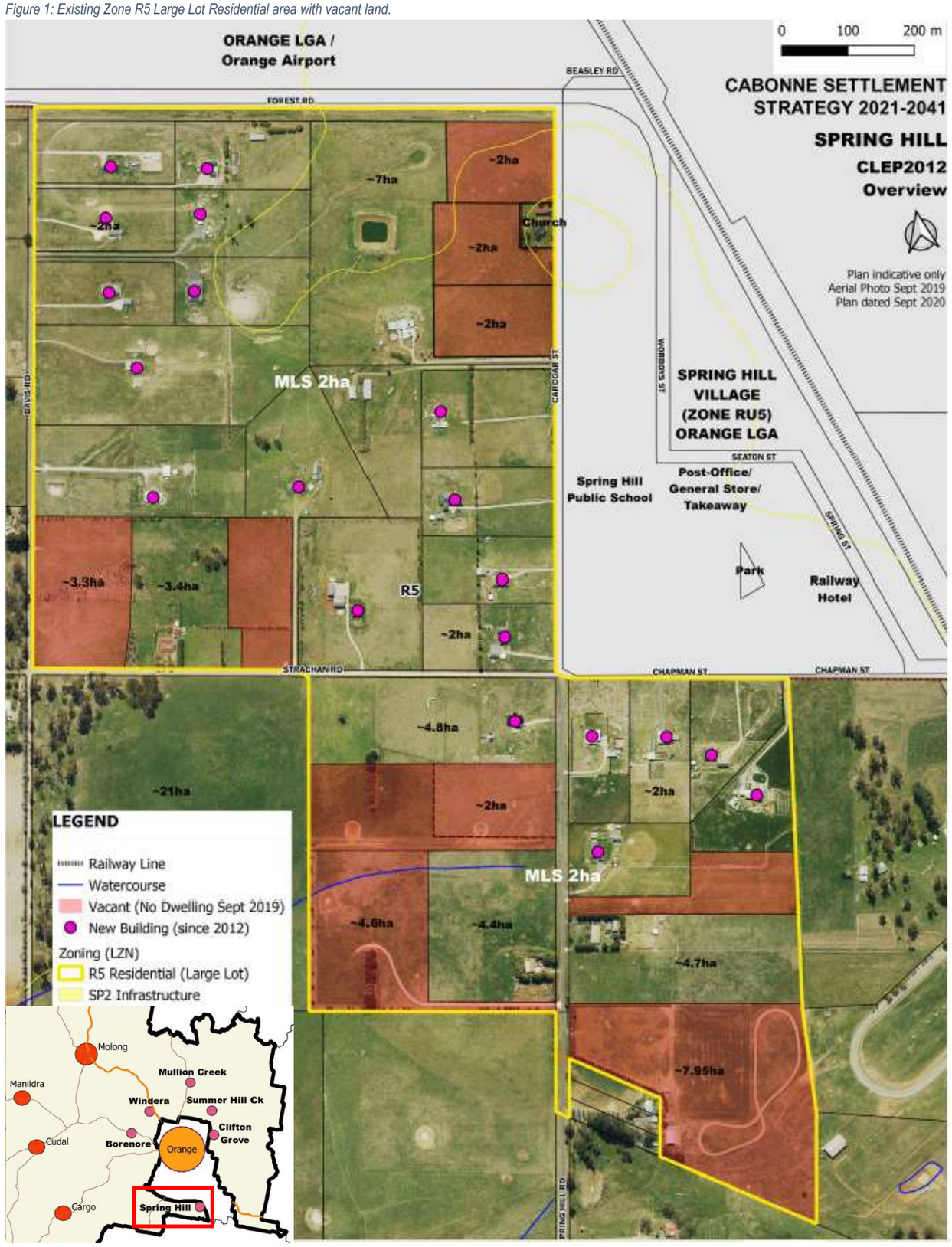
11.2.3. Demand & Vacant Land Supply

In September 2019, the aerial photo (see Figure.1 opposite) shows there were 25 dwellings & 1 church (26 lots). Five (5) dwellings are assumed to have been present in 2009. Therefore, in ~10 years (2010-2019) there has been ~20 dwellings constructed or an average of ~2-dwellings/ year in this location. Similarly, there were ~18 dwelling approvals over the last 10 years (2010-2019).

In 2019 there were five (5) smaller vacant lots (without dwellings) & another four (4) approved lots (total 9 lots or 25.7%) vacant, mostly held by different owners so there is limited new land for purchase/ development. There are a limited number of lots that exceed 4ha in lot size (i.e., capable of further subdivision with 2ha Minimum Lot Size (MLS)). Additional subdivision producing an additional 10-11 lots equals a total of ~20 lots for development. Assuming 70% are likely to proceed this is ~14 lots.

At a take-up rate of ~2 dwellings/year (the historical average rate of growth), the ~14 vacant lots could be consumed in ~7 years (say 5-10 years). Therefore, there is potential to consider some additional growth in this area to achieve 10-20 years supply (assuming this is an appropriate location – see below for details).

Figure 1: Existing Zone R5 Large Lot Residential area with vacant land.



11.2.4. Opportunities & Constraints

See Figure.2 opportunity & constraints mapping opposite.

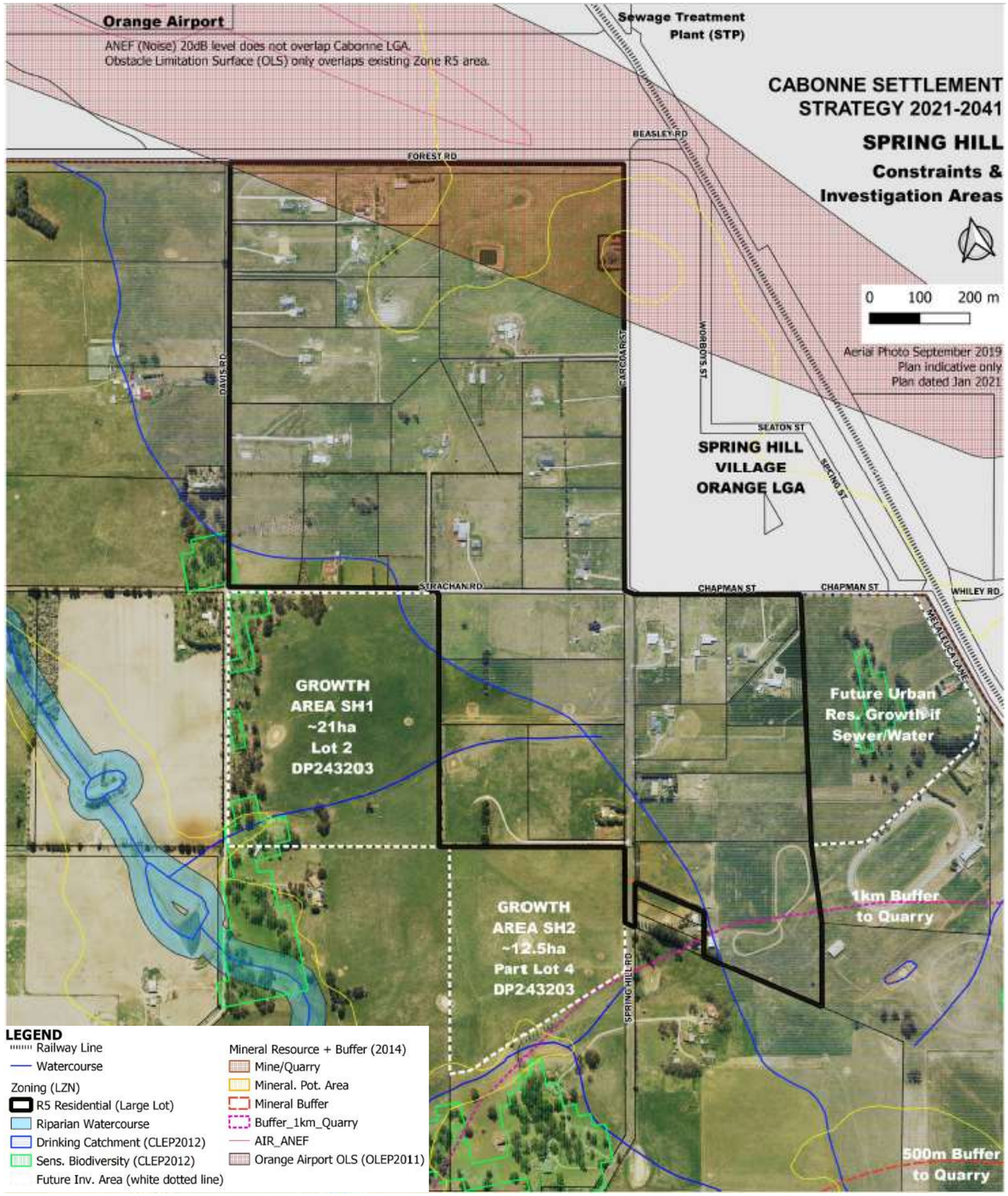
The existing Zone R5 area has the following key opportunities:

a) Within 15km of Orange CBD (higher level services/employment);
b) Close to Orange Hospital & new medical precinct (services/employment);
c) Close proximity to Orange Airport (for flights) & future potential business/light industrial area;
d) Between Cadia Gold Mine / future Kings Plain Mine (employment);
e) Adjacent to Spring Hill (Zone RU5 Village) with local school, church, hall, park(s), takeaway/general store/post-office & pub/hotel;
f) Buffer between urban residential & surrounding agriculture;
g) Network of local roads provide good access & servicing of land;
h) Views to Mount Canobolas;
i) Potential to discuss with Orange City Council connection to Spring Hill reticulated water/sewer;
j) Relatively flat lands & limited watercourses/ drainage prone land;
k) Limited significant vegetation/sensitive biodiversity;
l) Existing fragmentation of agriculture in the area reduces conflicts between large lot residential & agricultural land uses.

The existing Zone R5 area has the following key constraints:

a) Surrounding class 2 agricultural land capability/ interface may increase conflict;
b) Drinking water catchment for Orange affects lot size/on-site effluent;
c) Groundwater sensitivity may limit bores;
d) Existing bores & suitable buffers for on-site effluent systems;
e) Heritage listed church on Carcoar St & curtilage/buffer;
f) Flatter lands may have some drainage issues;
g) Orange Airport Obstacle Limitation Surface (OLS) (minor constraint);
h) Orange Airport aircraft noise (outside ANEF20) (minor constraint);
i) Main Western Rail Line to east (noise/vibration) (minor constraint);
j) Orange Sewage Treatment Plant (STP) to north may require some buffers for odour (minor constraint);
k) Worboys Quarry to south-east – 1km buffer just overlaps existing Zone R5.

Figure 2: Constraint mapping of existing Zone R5 & potential future investigation area(s).



11.2.5. Infrastructure & Environment

Most of the Spring Hill existing Zone R5 area does not have connection to reticulated sewer or water. However, sewer & water connections are available in the adjacent Spring Hill Village (corner Spring Hill Rd/Strachan Rd) that could service development if there is agreement with Orange City Council & payment of fees. Due to the cost of extension & complication of cross-LGA development this is less likely.

Connection to reticulated sewer would be preferable in the drinking water catchment but there is no current evidence of issues with on-site systems on lots >2ha. Reticulated water would reduce reliance on bores in the groundwater sensitive area but usually this would occur along with reticulated sewer connection.

Low voltage electricity & telecommunications are present along most public roads. NBN currently provides fixed wireless technology to service this area.

11.2.6. Open Space, Recreation & Community Uses

There are open space (parks) & community uses (church, school, hall) in the adjacent Spring Hill Village (& within 10 minutes' drive at Orange) that provides a higher level of amenity to the Zone R5 Large Lot Residential area compared to many other LLR areas not attached to villages in Cabonne. Therefore, there is no need to identify land for this purpose in Zone R5.

11.2.7. Commercial & Industrial Uses

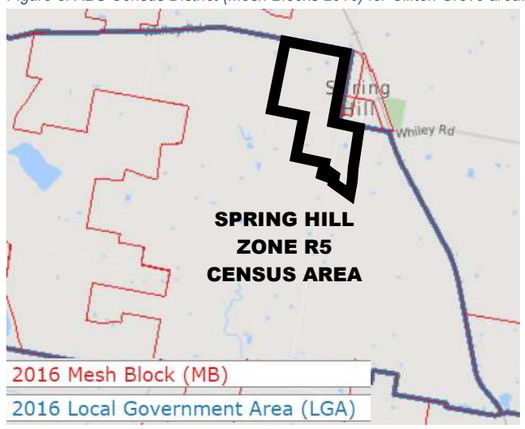
Large lot residential areas are not suitable for higher-impact commercial or industrial uses (other than home businesses or industries). The Spring Hill Zone RU5 Village area & nearby Orange (~13-14km) provide suitable opportunities for these uses so there is no need to identify land for this purpose in Zone R5.

11.2.8. Population & Dwellings

At the 2016 Census, Spring Hill village (Orange LGA) had a population of 286 people & 117 private dwellings (Zone RU5 area only). However, the census district for Spring Hill village does not include the LLR areas in Cabonne.

ABS Census District - Mesh Block 11205216500 (2016 – see below) covers the Zone R5 LLR areas outside Spring Hill village in Cabonne LGA but it is significantly larger (so the census over-estimates population/dwellings).

Figure 3: ABS Census District (Mesh Blocks 2016) for Clifton Grove area.



At the 2016 Census, the Zone R5 mesh block had a population of 123 people & 43 dwellings (an average household occupancy of 2.86 people). In 2011 the same Zone R5 mesh block (10149250000) had a population of 69 with 25 dwellings. Therefore, the population of the mesh block has increased by 54 people over five (5) years at an average rate of ~10.8 people (15.6%) per year.

However, in September 2019 in Zone R5 there was an estimate of ~25 dwellings. At 2.86 people/dwelling this is an estimated population of ~72 people.

When the estimated population of Spring Hill Village & the Zone R5 areas are combined, this is a total of ~358 people which is possibly larger than Cargo, Yeoval & Cumnock so it is a significant settlement.

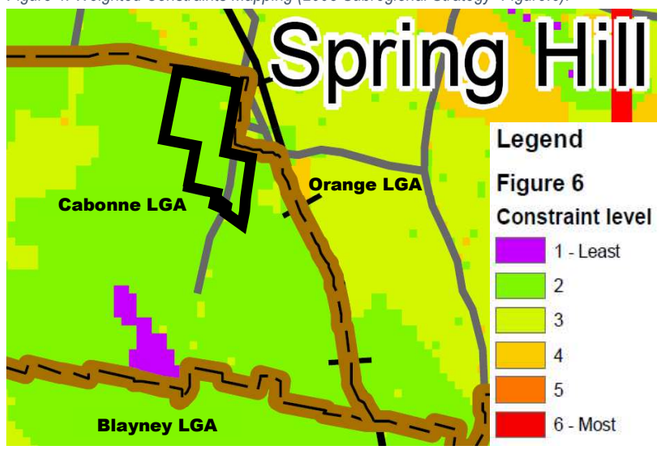
11.3. Constraints to Growth

11.3.1. 2008 Subregional Strategy

The *2008 Subregional Strategy* did not identify any additional large lot residential growth areas around Spring Hill. This is most likely because of the potential consumption of or impact on Class 2 agricultural capability lands (see below).

The Soft Constraints Analysis provided a weighting to various constraints & represented them as levels from 1 (least) to 6 (most) constrained (see Figure.4). This shows the Zone R5 area (black line) at Spring Hill mostly in Constraints Level 2 (green) so it is comparable with other Zone R5 areas in Cabonne & potentially less constrained than Level 3 areas in Orange LGA north & east of Spring Hill.

Figure 4: Weighted Constraints Mapping (2008 Subregional Strategy -Figure.6).

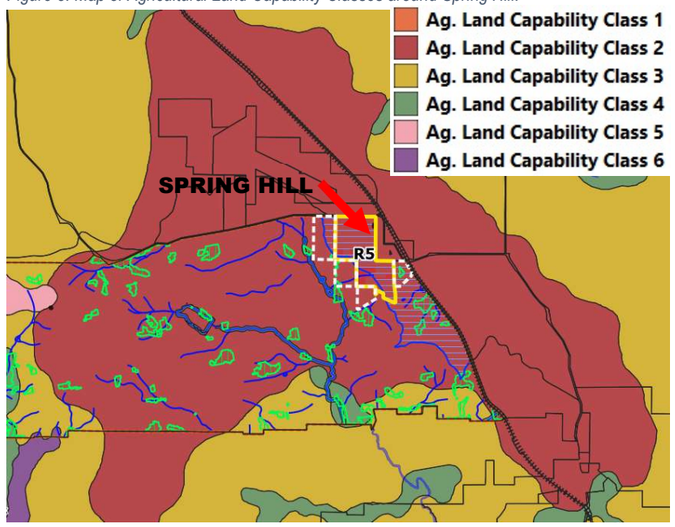


11.3.2. Agricultural Land Capability Class

Figure.5 below shows that the areas surrounding Spring Hill are mostly in Agricultural Land Capability Class 2 with a higher potential for agricultural productivity than most other stand-alone large lot residential areas.

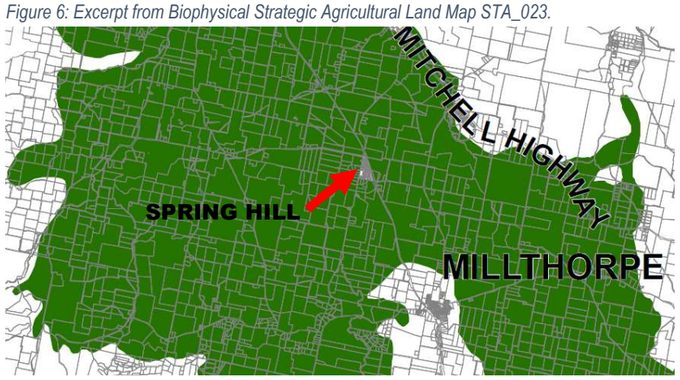
Class 1 & 2 land is in limited supply in Cabonne LGA and, therefore, should be protected (where possible) from urban encroachment & fragmentation, subject to balancing competing needs.

Figure 5: Map of Agricultural Land Capability Classes around Spring Hill.



More recent Biophysical Strategic Agricultural Land (BSAL) mapping (see Figure.6 below) shows that land south of Orange & the Mitchell Highway extending down to Millthorpe & including all but the urban areas of Spring Hill, is again considered to be high-value for agricultural purposes (though this mapping is for the purpose of preventing land use conflict with extractive industries, not urban growth).

Figure 6: Excerpt from Biophysical Strategic Agricultural Land Map STA_023.



DPI Agriculture is currently preparing updated Important Agricultural Land (IAL) mapping for NSW and, subject to approval, this may further support the above arguments regarding agricultural potential in the area.

However, it is also important to note that agricultural land around the Spring Hill Zone R5 area is fairly fragmented with smaller lots that are often used more like 'lifestyle' rural residential lots than highly productive agricultural land. It is preferable to provide smaller lifestyle lots around Spring Hill than promote dwellings spread through the rural zones. Growth around the existing urban fringe that provides suitable buffers to adjacent agricultural land may be relatively low impact.

11.3.3. Mineral Potential

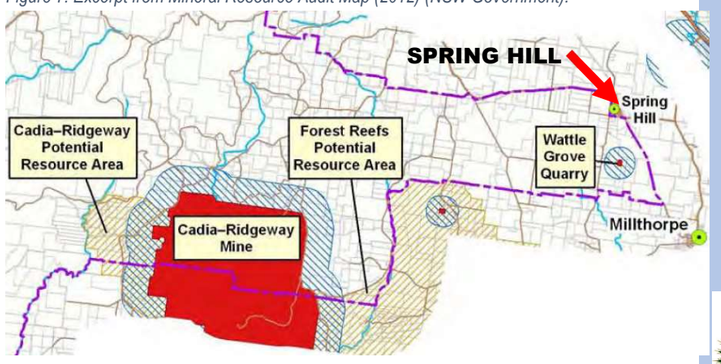
The 2012 *Mineral Resource Audit* (see Figure.7 below) shows that the closest existing quarry/mine to Spring Hill is Wattle Grove Quarry (known now as 'Spring Hill' or 'Worboys' Quarry') ~1km south-east of the existing Zone R5 area.

This is currently active & used for gravel. It is being mined close to lot boundaries but future capacity has not been confirmed. A minimum buffer of 500m should be provided to this quarry (increasing to 1000m if there is blasting) (see Figure.2).

The Boral Shadforth Quarry on Millthorpe Rd near the Mitchell Highway does not affect the Spring Hill Zone R5 area.

Any growth around Spring Hill would be outside the Forest Reefs & Cadia Ridgeway Potential Resource Areas, though proximity to Cadia-Ridgeway mine is an opportunity for employment. The Regis Resources/McPhillamys Gold Project at Kings Plains near Blayney is also likely to commence operations in the next few years & offer additional employment, making Spring Hill an attractive location.

Figure 7: Excerpt from Mineral Resource Audit Map (2012) (NSW Government).



11.4. Nearby Orange & Blayney Growth Areas

Orange has a number of relevant growth trends that may affect the Spring Hill area. The medical & sporting precincts are growing along Forest Road are within 10 minutes' drive & have the potential to be significant employment & recreation areas. In addition, Shiralee is a new urban release area with significant new construction & a small local centre. Cadia mine is also a significant employer close to Spring Hill.

It is important to note that Blayney LGA has some large lot residential growth areas to the south of this Zone R5 area that may also provide some growth potential. This includes North Millthorpe & Forest Reefs Road (~18km to Orange / an additional 5-7 minutes' drive). However, Forest Reefs Road is nearly completely developed & North Millthorpe has only limited development potential at 2ha MLS (if it is not serviced with reticulated water/sewer). Additional land is identified in the *Blayney Settlement Strategy* but

11.5. Strategy (Growth Investigation) Area(s)

11.5.1. Suitability/Need for Growth around Spring Hill

As noted above, there is only ~5-10 years supply in the existing Zone R5 area & it can take >2-4 years to rezone new land & bring new land to market so future growth potential needs to be investigated in the short term (next 2-5 years).

When the *2008 Subregional Strategy* was prepared several growth opportunities to the south of Orange were probably not considered including: the expansion of the Orange Airport & the associated business/industrial area/infrastructure; growth of Orange to the south (Shiralee) & the new hospital precinct; & growth of the McPhillamys/Kings Plains mines.

As a result, the *2008 Subregional Strategy* favoured large lot residential expansion to the north of Orange in lower quality agricultural lands. However, this may result in the majority of growth occurring in a similar 'market/location' away from demand. There will be increasing pressure on Council's to deliver housing options near employment to the south of Orange.

This Strategy supports provision of residential supply where there are employment opportunities & good access to services/transport. It also supports growth of large lot residential around existing settlements. Ideally, this occurs on existing serviced urban residential land, but it would be a narrow perspective that didn't also account for growth in some larger residential lots.

Therefore, this Strategy suggests that the planning 'drivers' have changed sufficiently since 2008 to consider growth areas around Spring Hill & these drivers may offset impacts on agricultural land capacity.

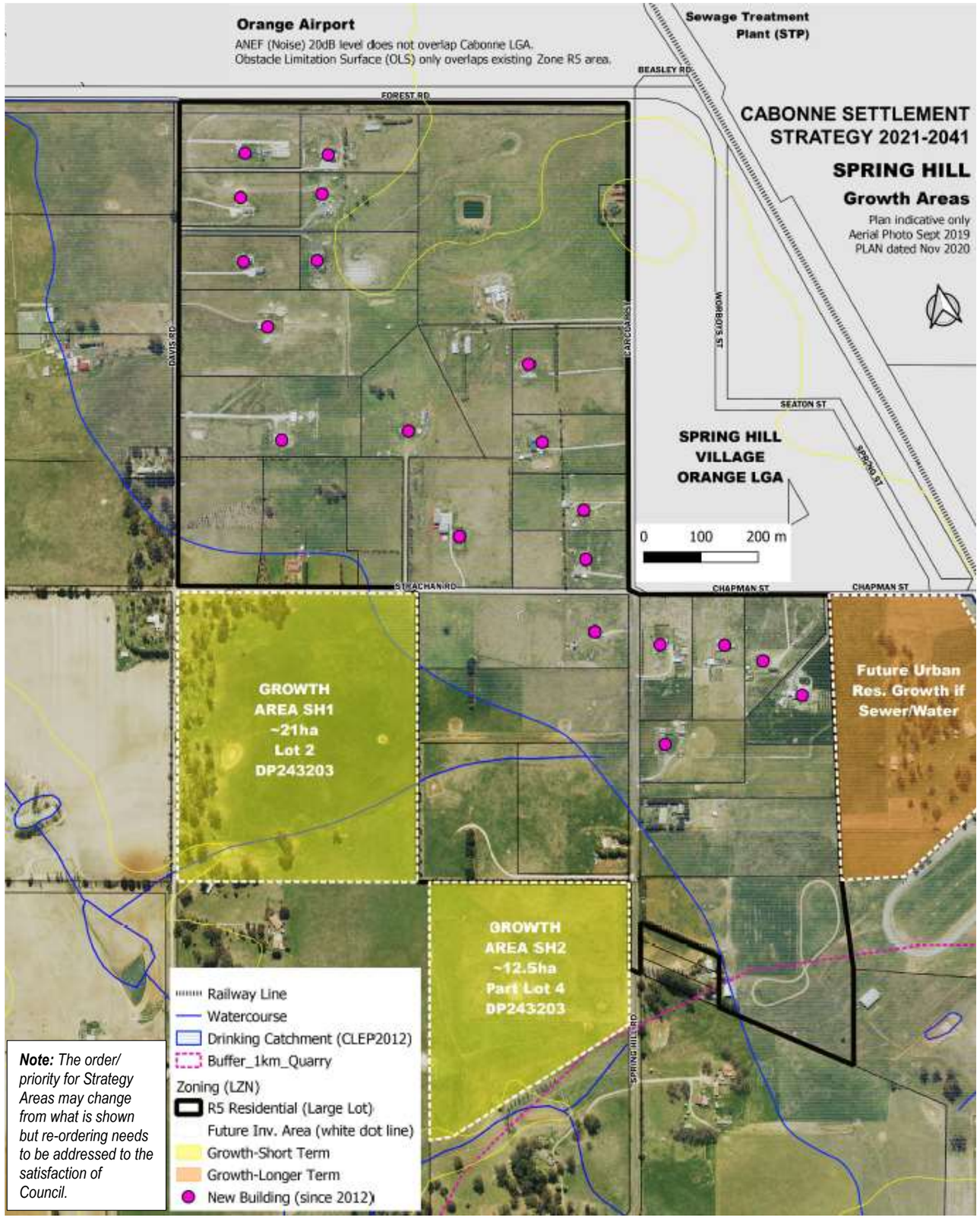
11.5.2. New Strategy Growth Area SH1

The preferred area for investigation for future large lot residential growth is Strategy Area SH1 (see Figure.8 opposite) that is made up of one (1) lot – Lot 2 DP243203 known as 172 Spring Hill Rd (though it has frontage to Davis & Strachan Roads & is isolated from the rest of No.172 Spring Hill Rd).

The opportunities of this Strategy Area SH1 include:

a) It is a logical extension of the existing Zone R5 area & in close proximity to the Spring Hill Village Zone;
b) It has an area of ~21ha & is held by one (1) landowner that has submitted the land for Zone R5 consideration multiple times in the past;
c) It is outside the Orange drinking water catchment (except the north-east corner);
d) It doesn't increase the length of the interface of Zone R5 with adjacent rural zoned land & is buffered by Davis Rd to the west;
e) It has two road frontages (Strachan Rd & Davis Rd – both sealed) that facilitate efficient lot yields, access & buffers to agricultural land;
f) It has only a 1st order intermittent drainage channel (southern end) & it is not a noted riparian watercourse;
g) There is limited significant vegetation across most of the lot & the potential to retain most significant vegetation along the western boundary with suitable lot size, access & dwelling locations (see constraints below);

Figure 8: Strategy (Growth Investigation) Area(s) within indicative timing.



Note: *The order/ priority for Strategy Areas may change from what is shown but re-ordering needs to be addressed to the satisfaction of Council.*

h) There may be water & sewer connections in Strachan Rd at the edge of the Spring Hill Village available (subject to Orange City Council agreement);
i) Whilst it is part of a larger agricultural holding, its isolation from other parts of that holding involves moving stock & machinery down public roads;
j) It is outside the 1000m buffer to Worboys Quarry to the south-east.

The constraints of this Strategy Area SH1 include:

a) Further consumption of Class 2 Agricultural Capability lands that are in limited supply in the Orange/Cabonne LGAs;
b) Some significant trees & sensitive biodiversity patches along the western side of the lot (Davis Rd) that would need to be protected;
c) Adjacent to lands (west of Davis Rd) appear to be cultivated increasing some potential for 'Right to Farm' issues & agricultural land use conflicts (though vegetation/buffers could address this);
d) There may be some drainage issues towards the south of the lot along a 1st order watercourse.

11.5.3. Preferred Lot Size

It is important to note that the NSW Government has historically preferred new large lot residential at 2ha lot size to reduce conflict between on-site effluent management & bore(s) but this is a 'rule-of-thumb' only.

We agree that larger lots may be required where land is heavily constrained but 2ha is a large lot size to maintain for the average 'lifestyle' residence, it is a less efficient use of land & it is too small to support extensive agriculture.

The dominant lot size of the existing Zone R5 area is of 2ha or greater – but these lots are mostly in the drinking water catchment or are near heritage item(s).

Whilst the general rule is to decrease lot sizes close to urban areas & increase them closer to agriculture to promote suitable dwelling setbacks/buffers – Strategy Area SH1 is unique in that it may have the potential to connect to reticulated water & possibly sewer in Spring Hill Village (subject to Orange City Council agreement).

On this basis, we suggest that if SH1 can connect to reticulated water & sewer it could consider lot sizes down to 0.4ha to the east of the lot & 1ha to the west (and/or provide dwelling envelopes with a minimum setback of 50m to Davis Rd). Otherwise, 2ha lots would be appropriate.

This is subject to geotechnical (effluent) studies, watercourse setbacks, protection of significant vegetation, & NSW Government support.

11.5.4. Alternative Long-Term Growth Area SH2

If Strategy Area SH1 either:

a) was not rezoned within five (5) years (by 2026); or
b) were to reach 60% subdivision & dwelling development prior to the year 2041,

then Council may accept submissions for investigation of large lot residential growth in area SH2 (see Figure.8 above).

Strategy Area SH2 is held by the same land-owner as SH1. SH2 is part of one (1) lot – Lot 4 DP243203 known also as 172 Spring Hill Rd. It is a natural extension to the south of the existing Zone R5 area along Spring Hill Road.

The southern part of this lot is constrained by some significant vegetation, watercourses & a dwelling. Therefore, only the northern ~12.5ha is considered in SH2.

11.5.5. Potential Yield/Supply/Demand

Based on a 2ha MLS – an indicative lot yield for SA1 (~21ha) is 10 lots. If there is connection to reticulated water & sewer then this may result in a yield up to 10*1ha lots & 15-20*0.4ha lots (total 25-30 lots).

Based upon the historic construction of dwellings in the existing Zone R5 area (Spring Hill) of ~2 dwelling/year:

a) 2ha MLS (10) lots may be consumed in ~5 years (8+5=13 years total supply); &
b) 0.4-1ha (30) lots may be consumed in ~15 years (15+8=23 years total supply).

If the 2ha lot size is adopted then Council may need to consider additional Potential Growth Area(s) within 8-10 years as set out below, consuming more possible agricultural land – so the smaller lot size with servicing is recommended.

For Strategy Area SH2, at 2ha lot sizes it could produce up to six (6) lots (or 2-3 years supply) that could supplement SH1 once 60% complete.

11.5.6. Market/Pricing

In 2012, 2ha lots were selling for ~$50,000-110,000 per hectare. 2ha lots in Stage 2 were selling for around $220,000. In September 2020, the recent 2ha/4 lot subdivision around the church is on the market for around $395,000 (Benchmark). This suggests that large lot residential land around Spring Hill is in significant demand with significant increases in land values.

11.5.7. Preliminary Rezoning/Subdivision Principles

The following principles should guide any future rezoning/subdivision of Strategy Area SH1 (Spring Hill):

a) Retention of at least 80% of the significant vegetation in the west of the lot & minimising impacts on this vegetation through access & dwelling locations;
b) Larger lots (or increased dwelling envelope setbacks >50m) to the west & south boundaries to minimise impacts on agriculture;
c) Upgrade of Strachan & Davis Roads (as required by Council);
d) Investigation of lots down to 0.4-1ha if connected to reticulated water & sewer to reduce land consumption & improve yield;
e) Limit the number of lots that do not have a public road frontage (i.e., battle-axe lots) to less than 30% of all lots for improved connectivity & reduced conflicts between lots;
f) Facilitate pedestrian/cycle connection along Strachan Rd back to Spring Hill Village.

11.6. Recommendations

11.6.1. Summary of Recommendations

In summary, this Strategy finds that the existing Spring Hill Large Lot Residential Area is at ~75% take-up for dwellings & at ~2 dwellings/year the remaining supply of ~20 lots (assume 14 lots if 70% developed) may only last ~5-10 years.

Large lot residential has been in demand in this location evidenced by the high price of land & good dwelling construction rate.

Assuming that some relatively minor (~20ha) of additional Class 2 Agricultural land can be used for growth, then this Strategy recommends the further investigation of Strategy Area SH1 in the short to medium (0-10 years) term. Lot size could potentially be reduced below 2ha if there is connection to reticulated water & sewer.

In five years (by 2026), if SH1 has still not being rezoned or is 60% complete then Council may investigate Strategy Area SH2 but this is not recommended at this time.

11.6.2. Minimum Lot Size Review

As stated above, the existing Zone R5 area was originally approved with a limit of 22 lots over ~109ha (averaging 5ha/lot) with a Minimum Lot Size (MLS) of 2ha). This has now increased to 35 lots (an average 3ha/lot) & could potentially reach up to 45 lots (an average 2.4ha/lot).

Whilst it is desirable to use land efficiently (i.e., maximise yield), the major constraints in the existing Zone R5 area are the drinking water catchment & buffers to the Orange Regional Airport.

Large Lot Residential (LLR) lots are not connected to reticulated sewer so they require on-site effluent systems that can potentially impact drinking water quality. It would be difficult to now require existing or new lots to connect to reticulated sewer when this is governed by Orange City Council.

Therefore, the 2ha MLS is likely to be an absolute limit in the drinking water catchment in the existing Zone R5 area.

Whilst Council could consider increasing the MLS to limit any further subdivision in this area, this Strategy suggests that there is limited additional yield potential & it may be difficult to justify with the number of smaller lots so it is not recommended at this time. Lot size is best addressed during the subdivision process on a merit assessment basis.

Minimum Lot Size (MLS) for new Strategy Areas identified in this Strategy is reviewed in *Section 11.5.3* above.

11.6.3. Planning Controls

There is currently no site-specific DCP for Spring Hill but *DCP No.6 Rural Small Holdings* would apply.

The original subdivision plan for Spring Hill put forward with the Local Environmental Study & supposedly registered on the title of the lots was for a total of 22 lots, significantly less than the 35 lots achieved in 2020. This is not a criticism of Council or the developer but shows how development can change when implemented & limitations are not easily implemented in controls.

When CLEP2012 was implemented it was not recommended to have a site-specific clause limiting subdivision. The best way to achieve this may have been a site-specific DCP to agree & enforce outcomes.

A new comprehensive DCP covering large lot residential development should be prepared. In addition, for any Strategy (Growth) Area, there should ideally be DCP site-specific controls, potentially including a structure plan guiding access & connections & responses to site constraints to deliver the best outcomes.

11.6.4. Additional Studies

It is important to note that this Strategy is NOT a comprehensive investigation of the suitability of any Strategy (Growth) Areas for future development. The land owners or Applicants will need to prepare a Planning (Rezoning) Proposal, potentially supported by a number of environmental & other studies to justify any rezoning and/or development.